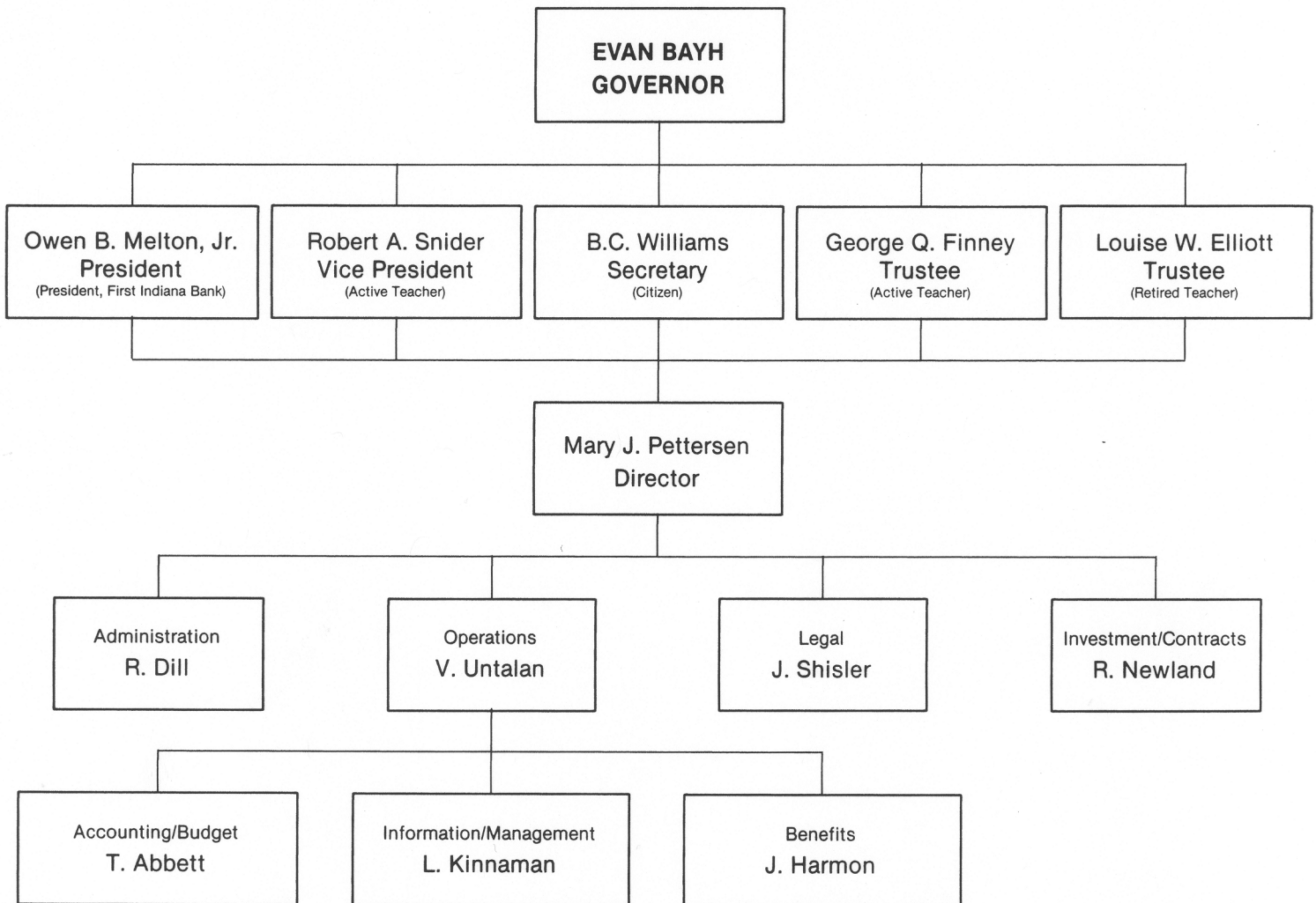


INDIANA STATE TEACHERS' RETIREMENT FUND



INDIANA STATE TEACHERS' RETIREMENT FUND

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The Honorable Evan Bayh
Governor of Indiana
Capitol Building
Indianapolis, Indiana 46204

Dear Governor Bayh:

We are pleased to present the Indiana State Teachers' Retirement Fund Annual report for 1990.

What follows is a brief comparison of the 1989 and 1990 fiscal years which highlights key changes in the Fund:

	<u>June 30, 1990</u>	<u>June 30, 1989</u>	<u>Increase (Decrease)</u>
Number of Active	66,068	65,883	185
Number of Retirees & Disabilitants	26,665	26,174	491
Annual Payout to Retirees & Disabilitants	\$213.6 Million	\$193.2 Million	\$20.4 Million
Fund Assets	\$1,945.2 Million	\$1,723.4 Million	\$221.8 Million
Guaranteed Fund			
Investment Earnings (Net Yield)	\$157.2 Million	\$137.0 Million	\$20.2 Million
Member Annuity & Employer Reserve			
Account Earnings Rate	10.0%	10.0%	0.0%
Bond Fund			
Investment Earnings (Total Return)	\$1.9 Million	\$2.3 Million	\$(0.4) Million
Member Annuity Account Earnings Rate	7.5796%	10.2492%	(2.6696)%
Money Market			
Investment Earnings (Total Return)	\$0.9 Million	\$1.2 Million	\$(0.3) Million
Member Annuity Account Earnings Rate	8.7710%	9.0007%	(0.2297)%
Unfunded Accrued Liability - (Retirees & Beneficiaries as of June 30, 1989)			\$ 1.05 Billion
(Active & Inactive Members as of June 30, 1989)			<u>\$ 3.45 Billion</u>
			\$ 4.50 Billion

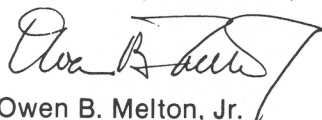
Please note that Employee annuity reserve accounts are fully funded and available to the member at time of withdrawal, retirement, or to the designated beneficiary in the event of member death. The State of Indiana pays the employer share as it comes due during the member's retirement.

Our more detailed report is composed of four sections:

Financial Statements, with the auditor's report from the State Board of Accounts;
Statistical Tables;
Actuarial Report; and
Investment Summary

Our Fund employees work hard to help provide for our Fund members' retirement security, and we pledge to continue prudent management of the Teachers' Retirement Fund.

Respectfully submitted,



Owen B. Melton, Jr.
President



Mary J. Pettersen,
Director

Robert A. Snider, Vice President
B. C. Williams, Secretary
George Q. Finney, Trustee
Louise W. Elliott, Trustee





STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS

912 STATE OFFICE BUILDING
INDIANAPOLIS, INDIANA 46204-2281
(317) 232-2513

INDEPENDENT AUDITORS' REPORT

TO: THE OFFICIALS OF THE INDIANA STATE TEACHERS' RETIREMENT FUND

We have examined the balance sheet of the Indiana State Teachers' Retirement Fund, as of June 30, 1990, and the related statements of revenues, expenditures and changes in fund balance, and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 2, the Teachers' Retirement Fund policy is to value investments of the Money-Market Fund and Bond Fund at market value. This practice does not conform with generally accepted accounting principles, that require such investments be valued at amortized cost. However, this valuation method more accurately reflects the liability to members of the Money-Market Fund and Bond Fund in accordance with IC 5-10.2-2-3 and, accordingly, is not intended to conform with generally accepted accounting principles.

In our opinion, except for the valuation of investments discussed in the preceding paragraph, the financial statements referred to above present fairly the financial position of the Indiana State Teachers' Retirement Fund as of June 30, 1990, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the basis of financial statements taken as a whole. The supplemental schedules and related financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the examination of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 9, 1990



**FINANCIAL STATEMENT
ANNUAL REPORT 1990
Indiana State Teachers' Retirement Fund
Balance Sheet
June 30, 1990**

Assets

Cash	\$ 3,863,247
Receivables:	
Employer Contributions Receivable	2,260,628
Member Contributions Receivable	18,114,313
Investments Interest Receivable	28,710,118
Mortgage Interest Receivable	4,272
Total Receivables	<u>49,089,331</u>
Guaranteed Fund Investments at Amortized Cost:	
Bonds and Notes Investment (Par Value)	1,928,524,052
Premium on Bonds and Notes	6,154,576
Discount on Bonds and Notes	(82,690,388)
Mortgages	683,560
Real Estate (Cost)	260,000
Total Guaranteed Fund Investments at Amortized Cost (Market Value: \$1,860,803,854)	<u>1,852,931,800</u>
Money Market Fund Investments at Market Value:	
Bonds and Notes Investment (Amortized Cost: \$13,305,617)	<u>13,279,555</u>
Bond Fund Investments at Market Value:	
Bonds and Notes Investment (Amortized Cost: \$26,201,015)	<u>25,869,108</u>
Furniture and Equipment (Original Cost: \$446,099 Net of \$241,018 Accumulated Depreciation)	<u>205,081</u>
Insurance Premium Paid in Advance	<u>26</u>
TOTAL ASSETS	<u>\$ 1,945,238,148</u>

Liabilities and Fund Balance

Current Liabilities:	
Due Treasurer of State (See Note 7)	\$ 15,701,353
Accrued Benefits Payable	17,308,917
Accrued Salaries (See Note 5)	46,172
Accounts Payable	462,774
Total Current Liabilities	<u>33,519,216</u>
Fund Balance:	
Member Reserves	1,148,119,653
Reserves for Benefits in Force	1,660,782,804
Employer Reserves	3,448,995,750
Undistributed Investment Income	151,298,320
Total Reserves	<u>6,409,196,527</u>
Unreserved Fund Balance (See Note 3)	<u>(4,497,477,595)</u>
Total Fund Balance	<u>1,911,718,932</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,945,238,148</u>

The accompanying notes are an integral part of the financial statements.



FINANCIAL STATEMENT
ANNUAL REPORT 1990
Indiana State Teachers' Retirement Fund
Statement of Revenues, Expenses, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 1990

	Total Fund Balance	Member Reserves	Reserves for Benefits in Force	Employer Reserves	Undistributed Investment Income	Appreciation/ Depreciation on Money Market Investment	Appreciation/ Depreciation on Bond Fund Investment	Unreserved Fund Balance
Operating Revenues:								
Member Contributions	\$ 64,689,214	\$ 64,673,014	\$ 16,200	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Employer Contributions	201,259,743	---	201,259,743	---	---	---	---	---
Annuity and Disability Refunds	560,650	---	560,650	---	---	---	---	---
Outdated Benefit Checks	30,736	---	30,736	---	---	---	---	---
Gift	20	---	20	---	---	---	---	---
Investment Income	156,083,568	---	---	---	152,747,653	1,078,478	2,257,437	---
Realized Gain on Investments - Net	550,761	---	---	---	694,136	---	(143,375)	---
Accumulation of Discounts on Investments	18,613,104	---	---	---	17,829,359	14,269	769,476	---
Adjustment on Account Payable	7	---	7	---	---	---	---	---
Reimbursement of Administrative Expenses	215	---	215	---	---	---	---	---
Interfund Transfers Received	241,831	13,402	203,372	---	25,057	---	---	---
Total Operating Revenues	442,029,849	64,686,416	202,070,943	---	171,296,205	1,092,747	2,883,538	---
Operating Expenses:								
Annuity and Disability Benefits	(213,561,863)	---	(213,561,863)	---	---	---	---	---
Voluntary and Death Withdrawals	(4,531,651)	(4,370,489)	---	---	(160,923)	(186)	(53)	---
Refunds - Members/School Units	(110,359)	(77,923)	(32,436)	---	---	---	---	---
Claims on Outdated Benefit Checks	(9,553)	---	(9,553)	---	---	---	---	---
Amortization of Premiums on Investments	(14,996,825)	---	---	---	(14,051,973)	(20,400)	(924,452)	---
Unrealized Loss on Investments - Net	(295,249)	---	---	---	---	(187,234)	(108,015)	---
Loss on Involv. Conversion of Fixed Assets	(3,419)	---	(3,419)	---	---	---	---	---
Investment Expenses	(988,390)	---	---	---	(966,347)	(3,589)	(18,454)	---
Administrative Expenses	(2,183,438)	---	(2,183,438)	---	---	---	---	---
Depreciation Expense	(62,172)	---	(62,172)	---	---	---	---	---
Interfund Transfers Made	(652,505)	(75,324)	(579,088)	---	1,907	---	---	---
Total Operating Expenses	(237,395,424)	(4,523,736)	(216,431,969)	---	(15,177,336)	(211,409)	(1,050,974)	---
Other Changes in Reserves:								
Approved Retirees	\$ ---	\$ (47,110,228)	\$ 47,348,508	\$ ---	\$ (238,280)	\$ ---	\$ ---	\$ ---
Deceased Disability and Forfeiture by Law	---	(408,539)	408,539	---	---	---	---	---
Members Account Adjustment	---	(450,161)	436,755	---	13,406	---	---	---
Money Market Investment Distribution - 8.77%	---	105,547	---	---	775,791	(881,338)	---	---
Bond Fund Investment Distribution - 7.58%	---	96,123	---	---	1,736,441	---	(1,832,564)	---
Guaranteed Fund Interest Distribution - 10%	---	98,264,232	51,277,529	---	(149,541,761)	---	---	---
Total Other Changes	---	50,496,974	99,471,331	---	(147,254,403)	(881,338)	(1,832,564)	---
Net Fund Balance - Additions	204,634,425	110,659,654	85,110,305	---	8,864,466	---	---	---
Increase in Actuarial Liabilities	---	---	66,112,717	949,930,748	---	---	---	(1,016,043,465)
Fund Balance - July 1, 1989	1,707,084,507	1,037,459,999	1,509,559,782	2,499,065,002	142,433,854	---	---	(3,481,434,130)
Fund Balance - June 30, 1990	\$ 1,911,718,932	\$ 1,148,119,653	\$ 1,660,782,804	\$ 3,448,995,750	\$ 151,298,320	\$ ---	\$ ---	\$ (4,497,477,595)

The accompanying notes are an integral part of the financial statements.



**FINANCIAL STATEMENT
ANNUAL REPORT 1990
Indiana State Teachers' Retirement Fund
Statement of Changes in Financial Position
For the Fiscal Year Ended June 30, 1990**

Sources of Working Capital:	
Excess of Revenues Over Expenses:	\$ 204,634,425
Items Not Requiring (Providing) Working Capital:	
Accumulation of Discounts on Investments	(18,613,104)
Amortization of Premiums on Investments	14,996,825
Realized Gain on Sale of Investments - Net	(550,761)
Unrealized Loss on Investments - Net	295,249
Depreciation	62,172
Loss on Involuntary Conversion of Fixed Assets	3,419
Working Capital Provided by Operations	200,828,225
Investments Sold or Matured	1,727,628,822
Net Decrease in Working Capital	32,910,061
Total Sources of Working Capital	<u>\$ 1,961,367,108</u>
Uses of Working Capital:	
Purchase of Furniture and Equipment	119,309
Purchase of Investments	1,961,247,799
Total Uses of Working Capital	<u>\$ 1,961,367,108</u>

Elements of Net Increase (Decrease) in Working Capital:

	June 30, 1990	June 30, 1989	Increase (Decrease)
Current Assets:			
Cash	\$ 3,863,247	\$ 20,419,162	\$ (16,555,915)
Employer Contributions Receivable	2,260,628	2,199,016	61,612
Member Contributions Receivable	18,114,313	17,153,850	960,463
Investments Interest Receivable	28,710,118	28,881,363	(171,245)
Mortgage Interest Receivable	4,272	4,550	(278)
Insurance Premium Paid in Advance	26	26	—
Total Current Assets	<u>52,952,604</u>	<u>68,657,967</u>	<u>(15,705,363)</u>
Current Liabilities:			
Due Treasurer of State	(15,701,353)	—	(15,701,353)
Accrued Benefits Payable	(17,308,917)	(15,905,170)	(1,403,747)
Accrued Salaries	(46,172)	(38,579)	(7,593)
Accounts Payable	(462,774)	(370,769)	(92,005)
Total Current Liabilities	<u>(33,519,216)</u>	<u>(16,314,518)</u>	<u>(17,204,698)</u>
Working Capital	<u>\$ 19,433,388</u>	<u>\$ 52,343,449</u>	<u>\$ (32,910,061)</u>

The accompanying notes are an integral part of the financial statements.



**FINANCIAL STATEMENT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Notes to Financial Statements**

NOTE 1: Fund Description

The Indiana State Teachers' Retirement Fund is the administrator of a multiple-employer retirement fund established to provide pension benefits for persons who are engaged in teaching or in the supervision of teaching in the public schools of the state. The Indiana State Teachers' Retirement Fund is considered part of the State of Indiana financial reporting entity and is included in the State's financial reports. At June 30, 1988 the number of participating school unit employers was:

Public School Units	330
Education Related Associations	6
Higher Education Units	4
State of Indiana Agencies	<u>24</u>
Total Employers	<u>364</u>

Membership in the fund is required for all legally qualified and regularly employed teachers who serve in the public schools of Indiana including the faculty at Vincennes University. Additionally, faculty members at Ball State University, Indiana State University, and University of Southern Indiana have the option of selecting membership in the fund or the alternative University Plan. At June 30, 1989, based on the 23rd Actuarial Valuation Report of Retirees and Beneficiaries and the 13th Actuarial Valuation Report of Active and Inactive Members, Indiana State Teachers' Retirement Fund membership consisted of:

Retirees and Beneficiaries	
Currently Receiving Benefits	<u>26,173</u>
Current Active Members:	
Vested	45,221
Non-Vested	<u>20,765</u>
Total	<u>65,986</u>

The Indiana State Teachers' Retirement Fund provides retirement benefits as well as death and disability benefits. Eligibility to retire occurs at age 50 with 15 or more years of service or at age 65 with 10 years of service. Annual retirement benefits, disability benefits, and death benefits are computed as follows:



**FINANCIAL STATEMENT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Notes to Financial Statements
(Continued)**

NOTE 1: Fund Description (Continued)

Regular Retirement (no reduction factor for age):

Eligibility - Age 65 with 10 years service or age 55 with age plus years of service equaling at least 85 or age 60 with at least 15 years of service.

Mandatory Retirement Age - none.

Annual Amount - State pension equal to total service times 1.1% of final average salary; plus, an annuity purchased by the member's accumulated contributions unless the member elects to withdraw the accumulated contributions in a lump sum.

Type of Final Average Salary - Average of highest 5 years.

Early Retirement (age reduction factor used):

Eligibility - Age 50 with 15 or more years service.

Annual Amount - State pension is computed as regular retirement benefit but reduced 1/10 of 1% for each month age at retirement is between 60 and 65 and 5/12 of 1% for each month under age 60.

Deferred Retirement (vested benefit):

Eligibility - 10 years of service. Benefit commences at age 65, or at age 50 if member had 15 or more years of service.

Annual Amount - Computed as a regular retirement benefit with state pension based on service and final average salary at termination.

Regular Disability:

Eligibility - 5 years of service.

Annual Amount - \$125 per month plus \$5 for each year of service credit over 5 years.

Disability Retirement (no reduction factor for age):

Eligibility - 5 years of service and also qualify for Social Security Disability at time of termination.

Annual Amount - Computed as a regular retirement benefit with state pension based on service and final average salary at termination.

Duty Death Before Retirement:

Eligibility - 15 years of service. Spouse to whom member had been married for 2 or more years is automatically eligible, or a dependent may be designated as beneficiary.

Annual Amount - Computed as regular retirement benefit but reduced in accordance with a 100% joint and survivor election.

Benefit Increases After Retirement: No automatic increases after retirement are provided. Unscheduled increases have been made from time to time.

Each member shall, as a condition of employment, contribute to the Fund three (3) percent of his/her compensation. Effective July 1, 1986, each employing unit may elect to "pick up" the employee contribution. No part of the member contributions to the Fund picked up by the employer is includable in the gross income of the member. The "pick up" amount does count in the salaries used to determine the final average at retirement. Any member who leaves covered employment has the option to withdraw accumulated contributions and interest. In the event of a death of a member who has served less than 15 years or does not meet the surviving spouse requirements, their designated beneficiary or estate is entitled to a lump sum settlement of their contributions plus interest.



FINANCIAL STATEMENT ANNUAL REPORT 1990

Indiana State Teachers' Retirement Fund Notes to Financial Statements (Continued)

NOTE 2: Accounting Policies and Procedures

The accounting records of the fund are kept on a cash basis with adjustments made to convert to the accrual basis for financial statement presentation.

Member Investment Option – Indiana pension law stipulates that each member of the Fund shall have the opportunity to direct their annuity savings account into one of three current investment programs:

- I. **The Guaranteed Fund** – Interest is credited at a rate annually determined by the Board of Trustees. Principal and interest are “guaranteed.” Market risk is assumed by the Fund.
- II. **The Bond Fund** – Contains high quality fixed-income instruments which provide interest/capital gain income. Market risk is assumed by the member.
- III. **The Money-Market Fund** – Contains high quality fixed-income instruments with maturity restrictions that reduce market change – interest income oriented. Market risk is assumed by the member.

Prior to July 1, 1986 all members' annuity savings accounts were invested under the Guaranteed Fund. However, with the passing of P.L. 35-1985, which was subsequently amended by P.L. 40-1986, effective July 1, 1986 the members now have the option of investing their present account balance in any of the three above-listed investment funds.

The Bond Fund and Money-Market Fund were formed on July 1, 1986 with investments of \$20,000,000 and \$10,000,000 respectively.

These amounts were determined by the Board of Trustees as the minimum investment in the fund to yield a competitive rate of return.

The Guaranteed Fund investments are valued at amortized cost. The Bond Fund and Money-Market Fund investments are valued at market value. The reason for the different valuation methods is that when a member participating in the guaranteed plan retires, dies or suspends membership and withdraws from the fund, the amount credited to the member is an amount equal to the book value of the member account plus accrued interest, if any. No consideration is given to the market value. However, when a member who has selected to participate in the Bond Fund or Money-Market Fund retires, dies or suspends membership and withdraws from the fund, the amount credited to the member shall be valued at the market value of the member's investment plus accrued interest on investment and less accrued investment expenses. Therefore the different valuation methods each most accurately reflects the liability of the fund or the respective investment options they correspond to.

New members are automatically enrolled in the Guaranteed Fund. Transfers may be made once a year during the month of June. A member may not return to the Guaranteed Fund after having transferred out. However, members may transfer from the Bond Fund to the Money-Market Fund and vice versa, once a year during the month of June.

Note 3: Funding Status and Progress

The pension benefit obligation was determined as part of an actuarial valuation, at June 30, 1989 for the active and inactive members and at June 30, 1989 for the retirants and beneficiaries. Significant actuarial assumptions used include: a) a rate of return on the investment of present and future assets of 7.5% a year compounded annually, b) projected salary increases of 5.5% per year compounded annually, attributable to inflation, c) additional projected salary increases of .8% per year attributable to seniority/merit.



FINANCIAL STATEMENT ANNUAL REPORT 1990

Indiana State Teachers' Retirement Fund Notes to Financial Statements (Continued)

Note 3. Funding Status and Progress (Continued)

Retirants and Beneficiaries computed liabilities as of June 30, 1989 (23rd Actuarial Valuation Report issued on October 3, 1989).

Total Accrued Liability		\$1,623,658,464	
Less: Reserves for Retired Lives -			
Annuity Reserves	\$294,965,519		
Pension Reserves	232,225,135		
Applied Undistributed Investment Income	47,985,965	575,176,619	
Unfunded Liability for Retirants and Beneficiaries			\$1,048,481,845
Accrued Portions of age and service to be paid to present active and inactive members on service rendered as of June 30, 1989 (13th Actuarial Valuation Report issued on February 26, 1990).			
Total Accrued Liability		\$3,448,995,760	
Less: Funded Portions		<u> —</u>	
Net Unfunded Liability on Active and Inactive Members			<u>3,448,995,750</u>
TOTAL UNFUNDED AMOUNT			<u>\$4,497,477,595</u>

Note 4: Employer Contributions Required and Employer Contributions Made

The Indiana State Teachers' Retirement Fund is funded on a "pay as you go" basis. State appropriations are made for the amount of estimated pension benefit payouts for each fiscal year.

Note 5: Accrued Salaries

Unused vacation leaves of the Fund employees were not included in the liability account.

Note 6: Pending Litigation

There is a pending litigation against a former Fund employee regarding the misappropriation of funds. This case was tried in the Morgan County Court and was Cause No. 55D01-8703-CF79. The net amount of funds misappropriated was \$25,486.23. As of August 15, 1990, \$5,762.28 has been recovered by the Fund. The remaining balance of \$19,723.95 is due to be collected from the former employee by means of a signature note.

Note 7: Due Treasurer of State

During the 1989-90 fiscal year, the Auditor of State transferred excess funds to the Fund in the amount of \$15,701,353.31 for Post Retirement Pension Increases. On June 30, 1990 this liability was booked by the Auditor of State through general journal entries. The effect of claiming this liability would have left our cash account in a negative position. Subsequent to June 30, 1990, appropriate transfers were completed to return the excess funds and maintain a positive balance in the cash account.

Note 8: Investments

Investments made by the Indiana State Teachers' Retirement Fund, including repurchase agreements, are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- Category 1 - Insured or registered, or securities held by the Retirement Fund or its agent in the Fund's name.
- Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Retirement Fund's name.
- Category 3 - Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Retirement Fund's name.



**FINANCIAL STATEMENT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Notes to Financial Statements
(Continued)**

Note 8: Investments (Continued)

	<u>Category 1</u>	<u>Carrying Amount</u>	<u>Market Value 6-30-90</u>
Category 1 Investments:			
Current Investments			
Repurchase Agreements	PAR		
Treasury Bills	\$ 65,470,395	\$ 65,470,395	\$ 65,469,195
Commercial Paper	72,000,000	69,535,115	70,393,140
Bankers Acceptances	43,305,000	43,193,411	43,046,637
Certificates of Deposit	1,000,000	965,611	980,215
	10,500,000	10,498,923	10,531,975
Total Current Investments	<u>\$ 192,275,395</u>	<u>\$ 189,663,455</u>	<u>\$ 190,421,162</u>
Long-Term Investments			
Government Bonds	444,135,000	405,276,613	413,806,225
Government Agency Bonds	646,619,350	625,731,593	626,575,232
Corporate Bonds	682,561,209	670,823,212	668,206,340
Total Long-Term Investments	<u>\$1,773,315,559</u>	<u>\$1,701,831,418</u>	<u>\$1,708,587,797</u>
Total Category 1 Investments	<u><u>\$1,965,590,954</u></u>	<u><u>\$1,891,494,873</u></u>	<u><u>\$1,899,008,959</u></u>
Investments held by broker-dealers under securities on loan contracts			
Government Bonds		\$ 52,422,656	\$ 53,406,540
Government Agency Bonds		1,000,000	989,060
Corporate Bonds		<u>—</u>	<u>—</u>
Total Loan Securities		<u><u>\$ 53,422,656</u></u>	<u><u>\$ 54,395,600</u></u>

All classified investments are Category 1. Amounts classified as investments in the financial statements do not agree with investments above because mortgage and real estate investments are not considered for the purpose of this note.



**FINANCIAL STATEMENT
ANNUAL REPORT 1990
Indiana State Teachers' Retirement Fund
Schedule of Administrative and Investment Expenses
Fiscal Year Ended June 30**

Personal Services:

Trustees Per Diems	\$ 2,750	
Staff Salaries	568,983	
Social Security	42,381	
Retirement	55,608	
Insurance	52,305	
Total Services		\$ 721,027

Professional & Technical Services:

Actuarial	\$ 36,580	
Data Processing	880,938	
Audit	7,804	
Revised Internal Operations Procedures Manual Devel.	148,656	
Group Health Insurance Consulting	84	
Investment Management		
Alliance Capital Management Corp.	\$ 135,831	
Bank One Indianapolis	128,656	
Indiana National Bank	193,408	
Bank of New York	132,132	
Baxter & Hoops	91,849	
Merchants	18,399	
Todd Investment Advisors	81,301	
		\$ 781,576
Legal Services	38,773	
Investment Custodial (Ind. National Bank)	158,035	
Investment Performance Measurement (Ind. National Bank)	4,000	
Investment Monthly Transaction Tape (Ind. National Bank)	1,200	
Medical Examination	1,080	
Pension Death Record Comparison (Pension Benefit Information)	2,162	
Total Professional & Technical Services		\$ 2,060,888

Communication:

Printing	\$ 84,140	
Telephone	22,450	
Postage	174,612	
Travel	12,495	
Total Communication		\$ 293,697

Rentals:

Equipment Leasing	\$ 2,912	
Total Rentals		\$ 2,912

Miscellaneous:

Court Reporting	\$ 70	
Medical Expense - Employees	220	
Membership & Training	4,862	
Supplies	8,887	
Maintenance	34,624	
Bonding	834	
Checking Account Charges	39,863	
Investment Other Charges	3,717	
Depreciation	62,172	
Advertising	12	
Total Miscellaneous		\$ 155,261

Total Administrative and Investment Expenses

\$ 3,233,785



STATISTICAL TABLE ANNUAL REPORT 1990

Indiana State Teachers' Retirement Fund

Balance Sheet Assets

June 30	Cash	Receivables	Investments (Amortized Cost)	Investments (Market Value)	Other Assets	Total
1981	\$ 9,919,324	\$22,017,077	\$ 558,391,446	—	\$ 11,705	\$ 590,339,552
1982	607,272	25,606,256	655,739,952	—	8,801	681,962,281
1983	1,283,569	28,638,742	745,376,880	—	6,095	775,305,286
1984	801,572	33,158,562	868,318,212	—	3,702	902,282,048
1985	530,463	38,812,201	1,045,850,915	—	58,978	1,085,252,557
1986	1,368,339	44,019,820	1,218,109,555	—	48,725	1,263,546,439
1987	9,596,850	42,940,690	1,331,957,757	30,589,546	63,555	1,415,148,398
1988	5,122,977	44,389,743	1,475,995,161	32,958,171	181,543	1,558,647,595
1989	20,419,162	48,238,780	1,618,386,359	36,203,335	151,389	1,723,399,025
1990	3,863,247	49,089,331	1,852,931,800	39,148,663	205,107	1,945,238,148

Balance Sheet Liabilities and Fund Balance

June 30	Accrued Benefits Payable	Accounts Payable	Other Liabilities	Fund Balance	Total
1981	\$ 8,332,853	\$ 84,940	\$ 1,132,638	\$ 580,789,121	\$ 590,339,552
1982	8,299,838	77,953	1,655,113	671,929,377	681,962,281
1983	10,429,375	166,389	13,291	764,633,231	775,305,286
1984	11,364,325	209,218	18,997	890,689,508	902,282,048
1985	12,075,059	207,634	21,246	1,072,948,618	1,085,252,557
1986	13,088,872	327,299	26,159	1,250,104,109	1,263,546,439
1987	14,067,781	306,097	28,196	1,400,746,324	1,415,148,398
1988	15,225,768	331,841	34,677	1,543,055,309	1,558,647,595
1989	15,905,170	370,769	38,579	1,707,084,507	1,723,399,025
1990	17,308,917	462,774	15,747,525	1,911,718,932	1,945,238,148



STATISTICAL TABLE
ANNUAL REPORT 1990
Indiana State Teachers' Retirement Fund
Operating Revenues and Expenses
Fiscal Year Ending June 30

	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Operating Revenues										
Member Contributions	\$ 64,689,214	\$ 61,532,083	\$ 55,871,788	\$ 51,809,963	\$ 48,261,435	\$ 44,946,413	\$ 41,848,195	\$ 39,229,831	\$ 37,265,746	\$ 35,804,921
Employer Contributions	201,259,743	162,430,901	149,986,253	136,717,869	141,515,910	180,309,573	134,445,864	95,710,769	118,107,904	110,458,921
Annuity and Disability Refunds	560,650	542,809	596,722	557,104	400,855	413,471	351,097	334,219	320,579	332,733
Investment Income	156,083,568	142,419,283	125,668,402	119,417,073	121,128,030	104,030,866	89,783,884	80,538,889	71,675,080	54,186,172
Accumulations of										
Discounts on Investments	18,613,104	8,435,370	5,315,185	14,802,498	11,490,357	2,227,159	2,823,469	2,647,067	2,202,066	2,547,528
Gift by Inheritance	20	500	—	—	—	—	—	—	—	—
Gain on Sale of Investments - Net	550,761	—	—	—	—	516,603	—	6,942,660	—	—
Unrealized Gain on Investments - Net	—	630,229	189,863	—	—	—	—	—	—	—
Adjustment on Account Payable	7	—	—	—	—	—	—	—	—	—
Reimbursement of										
Administrative Expenses	215	115	144	103	375	164	253	103	151	12
Outdated Benefit Checks	30,736	29,468	24,969	21,910	24,668	30,448	12,595	90,507	—	—
Interfund Transfers Received	241,831	335,262	736,814	396,726	184,504	519,008	670,301	182,102	522,298	218,499
Total Operating Revenues	\$442,029,849	\$376,356,020	\$338,390,140	\$343,615,317	\$350,763,846	\$332,993,705	\$269,935,658	\$225,676,147	\$230,093,824	\$203,548,786
Operating Expenses										
Annuity and Disability Benefits	\$213,561,863	\$193,171,512	\$184,113,415	\$171,853,971	\$155,187,412	\$142,664,419	\$134,083,923	\$124,916,140*	\$116,181,199	\$110,225,525
Voluntary and Death Withdrawals	4,531,651	4,287,291	4,531,247	5,050,677	5,946,656	5,790,200	5,310,644	6,256,435	7,675,957	4,884,687
Refunds - Members/School Units	110,359	66,041	47,521	23,975	18,250	10,251	14,766	24,933	13,837	14,991
Amortization of Premiums										
on Investments	14,996,825	6,008,295	3,674,498	12,980,978	10,399,362	647,113	551,273	364,455	180,312	149,035
Loss on Sale of Investments - Net	—	5,079,753	1,127,387	—	—	—	2,303,945	—	13,504,480	10,134,588
Unrealized Loss on Investments - Net	295,249	—	—	882,812	—	—	—	—	—	—
Investment Expenses	988,390	874,758	833,607	806,289	741,466	587,292	539,559	482,685	323,541	348,084
Administrative Expenses	2,183,438	1,804,347	1,179,273	887,219	770,877	673,038	638,120	602,790	626,619	615,106
Depreciation Expenses	62,172	51,073	32,988	13,316	13,034	5,199	3,124	3,417	3,685	3,566
Outdated Benefit Checks Claimed	9,553	19,554	6,396	22,312	8,809	1,884	1,944	—	—	—
Interfund Transfers Made	652,505	964,197	534,823	461,552	520,022	355,200	429,331	321,439	443,938	764,800
Loss on Invol. Conversion of Fixed Assets	3,419	—	—	—	—	—	—	—	—	—
Total Operating Expenses	237,395,424	\$212,326,821	\$196,081,155	\$192,973,101	\$173,605,888	\$150,734,596	\$143,876,629	\$132,972,294	\$138,953,568	\$127,140,382

*Includes Settlement of Lawsuit amounting to \$1,178,479

Rate of Distribution	10%	10%	10%	10%	10%	10%	10%	9%	9%	9%
Guaranteed Fund										
Bond Fund	7.58%	10.25%	7.64%	2.78%	N/A	N/A	N/A	N/A	N/A	N/A
Money Market	8.77%	9.00%	7.65%	6.16%	N/A	N/A	N/A	N/A	N/A	N/A

**STATISTICAL TABLE
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Schedule of Administrative and Investment Expenses
Fiscal Year Ending June 30**

	1990	1989	1988	1987	1986	1985	1984	1983
Personal Services:								
Trustees Per Diem	\$ 2,750	\$ 2,450	\$ 2,600	\$ 1,900	\$ 2,650	\$ 1,855	\$ 1,855	\$ 1,750
Staff Salaries	568,983	511,050	498,011	478,940	439,636	400,011	368,861	356,926
Social Security	42,381	37,621	35,900	33,759	30,766	27,786	25,005	24,375
Retirement	54,608	52,180	51,277	49,444	32,710	26,747	24,377	23,732
Insurance	52,305	45,070	34,404	37,544	34,507	32,559	27,248	23,749
Total Services	\$ 721,027	\$ 648,371	\$ 622,192	\$ 601,587	\$ 540,269	\$ 488,958	\$ 447,346	\$ 430,532
Professional & Technical Services:								
Actuarial	\$ 36,580	\$ 28,632	\$ 36,966	\$ 13,128	\$ 25,204	\$ 12,440	\$ 22,636	\$ 11,636
Data Processing	880,938	819,140	308,670	79,766	43,601	38,559	36,983	31,431
Audit	7,804	4,802	8,731	9,587	9,014	8,764	6,448	4,117
Revised Internal Operations								
Procedures Manual Devel.	148,656	—	—	—	—	—	—	—
Legal Services	38,773	38,843	—	—	—	—	—	—
Group Health Insurance								
Consultant	84	12,407	9,533	16,047	—	6,802	9,011	6,334
Investment Management	781,576	686,646	675,866	646,119	595,463	457,366	404,246	347,504
Investment Custodial	158,035	140,429	114,952	114,423	100,894	85,944	86,591	92,105
Investment Performance								
Measurement	4,000	4,000	4,000	4,000	3,000	4,000	4,000	4,000
Investment Monthly								
Transaction Tape	1,200	1,200	1,200	1,200	1,200	1,200	2,154	—
Medical Examination	1,080	820	1,510	1,860	1,300	1,440	1,420	1,720
Pension Death Record								
Comparison	2,162	1,826	—	2,157	—	—	—	—
Total Professional & Technical Services	\$2,060,888	\$1,738,745	\$1,161,428	\$ 888,287	\$ 779,676	\$ 616,515	\$ 573,489	\$ 498,847
Communication:								
Printing	\$ 84,140	\$ 49,160	\$ 24,215	\$ 23,295	\$ 24,005	\$ 15,501	\$ 15,809	\$ 16,614
Telephone	22,450	11,830	11,808	10,149	9,748	10,251	10,012	10,776
Postage	174,612	142,422	115,492	91,948	86,071	73,627	74,235	77,297
Travel	12,495	5,390	6,466	6,506	5,993	6,360	3,518	3,449
Total Communication	\$ 293,697	\$ 208,802	\$ 157,981	\$ 131,898	\$ 125,817	\$ 105,739	\$ 103,574	\$ 108,136
Rentals:								
Equipment Leasing	\$ 2,912	\$ 15,189	\$ 5,287	\$ 3,187	\$ 3,242	\$ 2,409	\$ 2,415	\$ 3,954
Total Rentals	\$ 2,912	\$ 15,189	\$ 5,287	\$ 3,187	\$ 3,242	\$ 2,409	\$ 2,415	\$ 3,954
Miscellaneous:								
Court Reporter	\$ 70	—	\$ 643	—	—	—	—	—
Unemployment	—	1,285	—	84	2,164	—	2,143	—
Medical-Compensation Cases	220	—	—	—	—	—	109	—
Membership & Training	4,862	2,783	3,300	1,091	2,024	1,325	361	635
Supplies	8,887	6,897	7,111	5,513	7,727	4,009	2,643	2,451
Maintenance	34,624	13,651	16,393	10,291	9,221	1,638	2,095	1,058
Bonding	834	784	812	919	919	791	683	683
Checking Account Charges	39,863	37,384	35,499	36,798	36,152	36,530	39,379	34,281
Investment Other Charges	3,717	5,099	2,090	3,750	4,757	2,252	3,189	4,795
Depreciation	62,172	51,073	32,988	13,316	13,034	5,199	3,124	3,417
Advertising	12	—	—	—	—	—	—	—
Total Miscellaneous	\$ 155,261	\$ 118,956	\$ 98,836	\$ 71,762	\$ 75,998	\$ 51,744	\$ 53,726	\$ 47,320
Total Administrative and Investment Expenses	\$3,233,785	\$2,730,063	\$2,045,724	\$1,696,721	\$1,525,002	\$1,265,365	\$1,180,550	\$1,088,789



**STATISTICAL TABLE
ANNUAL REPORT 1990
Indiana State Teachers' Retirement Fund**

**Number of Retirees and Disabilities
Fiscal Year Ending June 30**

Type of Payment	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Retirement (Including Disability/Survivorship)	26,389	25,881	25,547	25,174	24,626	24,169	23,698	23,276	22,929	22,431
Disability (Old Law)	276	293	302	319	328	338	346	356	366	360
Total	26,665	26,174	25,849	25,493	24,954	24,507	24,044	23,632	23,295	22,791

**Number of Retirees Receiving Benefits
Fiscal Year Ending June 30**

Gross Benefit Amount	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Less Than 100.01	374	392	409	431	469	531	557	640	685	704
Less Than 200.01	2,014	2,129	2,279	2,411	2,586	2,813	2,949	3,166	3,444	3,506
Less Than 300.01	2,780	2,970	3,103	3,263	3,436	3,654	3,841	4,155	4,340	4,397
Less Than 400.01	3,115	3,241	3,363	3,497	3,639	3,833	3,849	3,941	3,986	3,966
Less Than 500.01	3,035	3,116	3,216	3,267	3,328	3,398	3,447	3,440	3,475	3,428
Less Than 600.01	2,835	2,898	2,885	2,954	2,993	2,985	2,916	2,859	2,759	2,631
Less Than 700.01	2,545	2,615	2,614	2,591	2,516	2,363	2,281	2,062	1,895	1,777
Less Than 800.01	2,244	2,206	2,170	2,063	1,947	1,797	1,631	1,360	1,121	1,006
Less Than 900.01	1,861	1,788	1,698	1,594	1,366	1,097	928	760	608	526
Less Than 1,000.01	1,484	1,367	1,233	1,074	908	724	574	433	320	263
Less Than 1,100.01	1,082	977	846	723	552	414	340	212	147	119
Less Than 1,200.01	815	693	596	486	325	215	169	108	67	48
More Than 1,200.01	2,187	1,467	1,116	806	544	313	202	117	64	49
Total Receiving Benefits	26,371	25,859	25,528	25,160	24,609	24,137	23,684	23,253	22,911	22,420

**Number of Approved Benefit Payments
Fiscal Year Ending June 30**

Type of Payment	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981
Retirement (Including Disability/Survivorship)	1,421	1,179	1,277	1,368	1,257	1,233	1,126	1,044	1,178	1,113
Disability (Old Law)	10	18	12	15	15	19	20	29	30	31
Voluntary Withdrawals	1,186	1,049	1,097	1,475	1,568	1,713	2,093	2,831	3,584	2,428
Death Withdrawals	61	75	74	75	36	75	85	82	73	59



Distribution of Active Members

By Service As Of 6/30/90

Each figure represents 1,000 lives



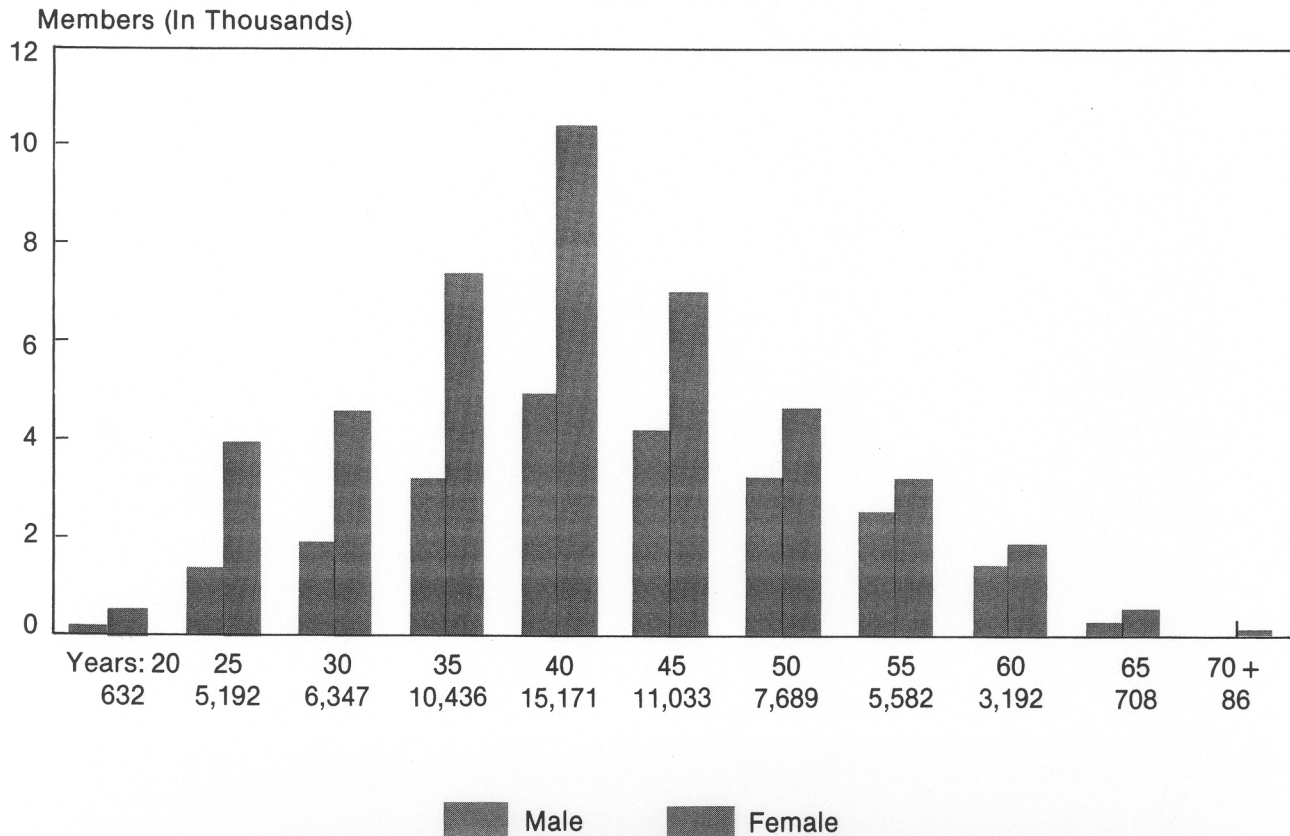
Total Women: 43,481

Total Men: 22,587

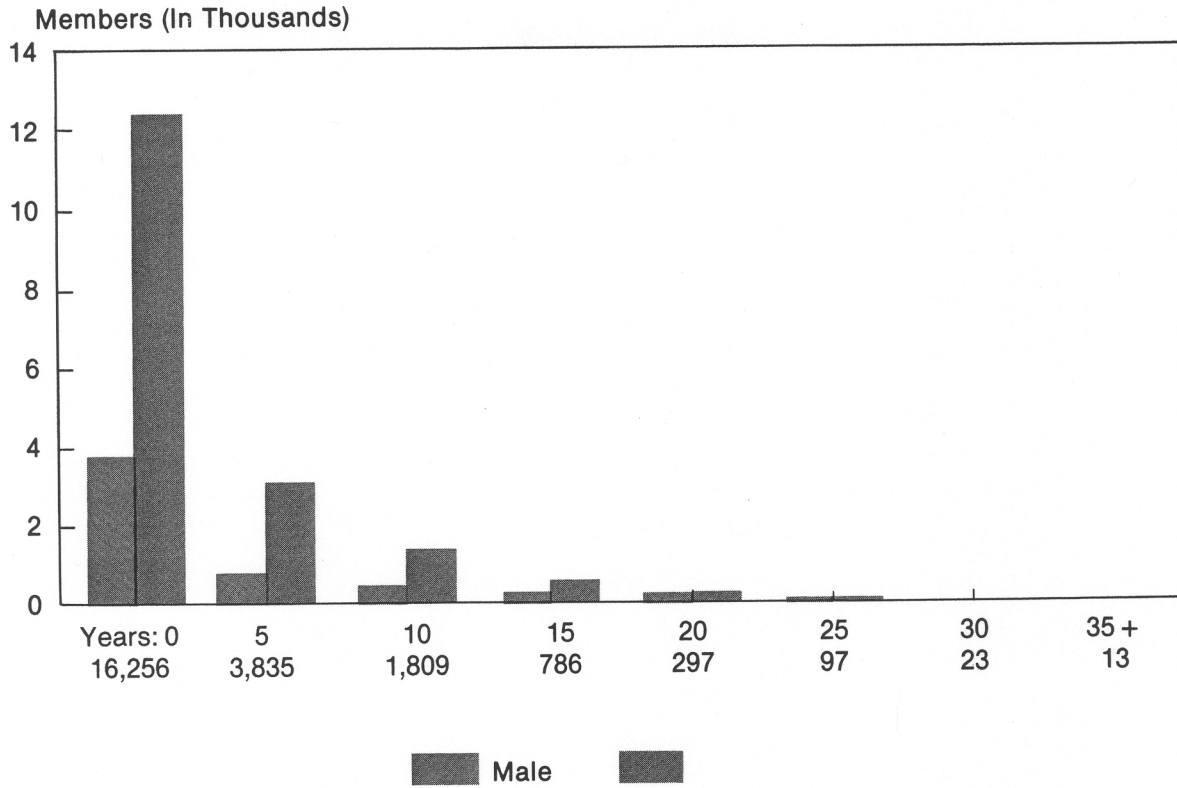
Total Members: 66,068

Distribution By Age

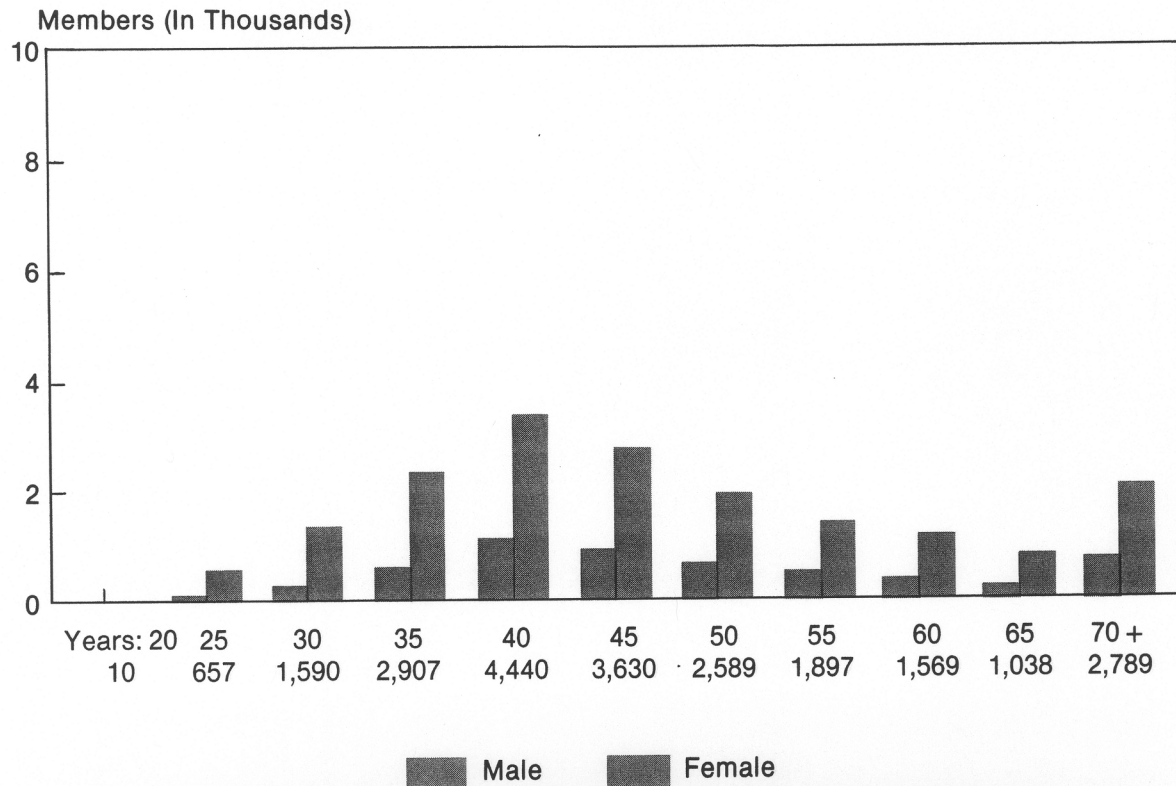
Active 6/30/90



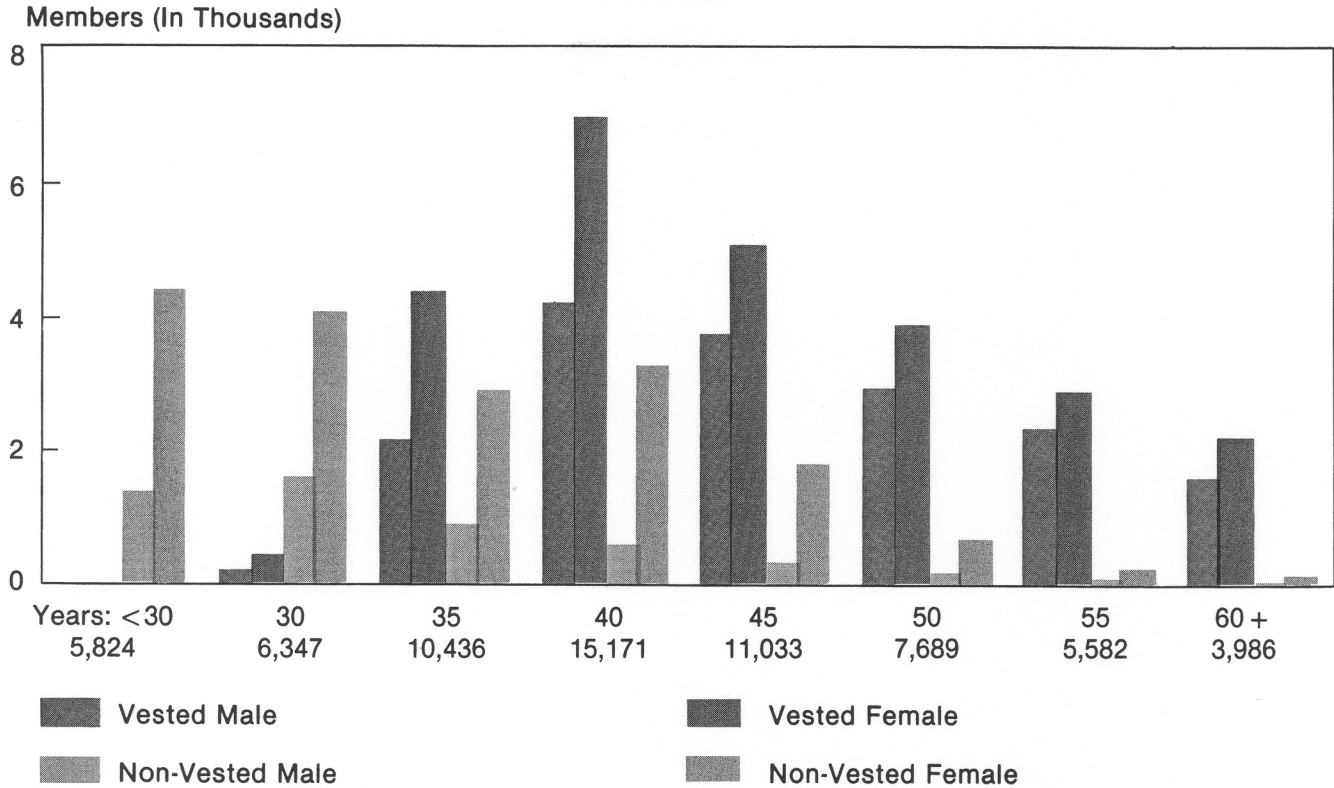
Distribution By Years of Service Inactive 6/30/90



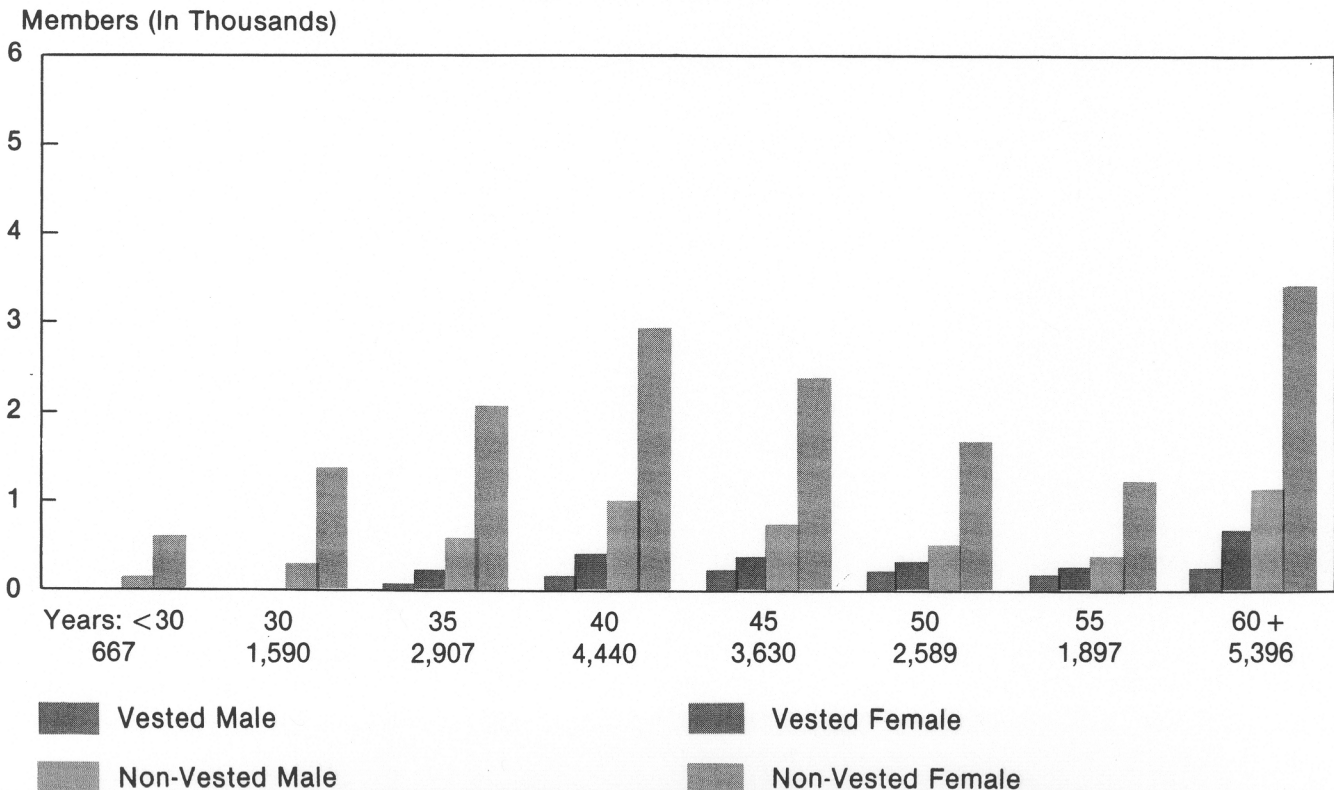
Distribution By Age Inactive 6/30/90



Age Distribution — Vested & Non-Vested Active 6/30/90



Age Distribution — Vested & Non-Vested Inactive 6/30/90



GABRIEL, ROEDER, SMITH & COMPANY
Actuaries & Consultants

200 Globe Building • 407 East Fort • Detroit, Michigan 48226 • 313-961-3346

February 6, 1991

The Board of Trustees
Indiana State Teachers' Retirement Fund
Indianapolis, Indiana

Ladies and Gentlemen:

We hereby certify that the most recent actuarial valuations of active and retired lives of the Indiana State Teachers' Retirement Fund, as of June 30, 1989, were made in accordance with generally recognized actuarial methods.

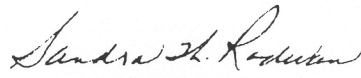
It is our opinion that the actuarial information contained in the valuation report is complete and accurate, being based upon the following:

- (i) Data furnished by the Director of ISTRF concerning active and inactive members, retirants, beneficiaries and financial information. This data was not audited by us but was checked for completeness, reasonableness and year-to-year consistency.
- (ii) Assumptions, adopted by the Board of Trustees after consultation with the actuary, which relate to the experience of the Fund and produce results which we believe are reasonable.

The results of the valuation as shown in our reports reflect that employer contributions have been based on amounts needed for cash benefit payments.

A more sound financial objective would be to contribute amounts which, expressed as percents of active member payroll, will remain level from generation to generation of Indiana citizens, pursuant to IC Sec. 5-10.2-2-11. The actuarial valuation was made in accordance with the principles of this financial objective.

Respectfully submitted,


Sandra W. Rodwan


Richard G. Roeder

Members

American Academy of Actuaries

SWR:jmg

Actuarial Report



**ACTUARIAL REPORT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Summary of Valuation Results
June 30, 1989**

I. Unfunded Actuarial Accrued Liabilities

Accrued liabilities are the present value of benefits the Fund promises to pay in the future based upon service already rendered — a liability has been established ("accrued") because the service has been rendered, but the resulting monthly cash benefits may not be payable until years in the future. If accrued liabilities at any time exceed the Fund's accrued assets (cash and investments), the difference is unfunded accrued liabilities.

Actuarial Accrued Liabilities: Computed & Unfunded

<u>Amounts at June 30, 1989</u>	<u>Retired Lives</u>	<u>Active & Inactive Members</u>	<u>ISTRF Total</u>
Computed accrued liabilities	\$ 1,623,658,464	\$ 4,580,903,637	\$ 6,204,562,101
Reported assets	<u>575,176,619</u>	<u>1,131,907,887</u>	<u>1,707,084,506</u>
Unfunded Accrued Liabilities	\$ 1,048,481,845	\$ 3,448,995,750	\$ 4,497,477,595



**ACTUARIAL REPORT
ANNUAL REPORT 1989**

**Indiana State Teachers' Retirement Fund
Summary of Valuation Results (Continued)
June 30, 1989**

II. Test of Financial Condition

If the contributions to ISTRF are level in concept and soundly executed, the Fund will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long-term test.

An accrued condition test is one means of checking a fund's progress under its funding program. In this test, the fund's present assets (cash and investments) are compared with:

- 1) Active member contributions on deposit;
- 2) Liability for future benefits to present retired lives; and
- 3) Liability for service already rendered by active members.

In a fund that has been following the discipline of level percent of payroll financing, liability for active member contributions on deposit (liability 1) and liability for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, liability for service already rendered by active members (liability 3) will be partially covered by the remainder of present assets. The state's past practice of contributing on a pay-as-you-go basis has resulted in liability 2 being less than 100% funded.

The schedule following illustrates the history of liability 2 of the Fund.

Computed Actuarial Accrued Liability

June 30	(1)	(2)	(3)	Valuation Assets	Portion of Accrued Liabilities Covered by Assets		
	Member Contributions	Retired Lives	Present Members (Employer Financed Portion)		(1)	(2)@	(3)
1975*#	\$ 216	\$ 451	\$ 903	\$ 312	100%	21%	0%
1977#	265	634	1,246	375	100	17	0
1979*#	324	777	1,481	466	100	18	0
1980	373	838	1,632	539	100	18	0
1981	423	885	1,649	601	100	20	0
1983*	544	1,043	1,751	764	100	21	0
1985	713	1,198	2,112	1,073	100	30	0
1987	932	1,406	2,499	1,401	100	33	0
1989#	1,132	1,624	3,449	1,707	100	35	0

@ The principal reason for retired lives not being 100% funded is the employer's cash disbursement contribution pattern — an increasing contribution pattern.

* Revised assumptions.

Legislated benefit increases.



**ACTUARIAL REPORT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Summary of Valuation Results (Continued)
June 30, 1989**

III. Computed Employer Contribution Rates — June 30, 1989

Contributions for	Employer Contributions As % of Active Payroll	
	Prevent UAAL Growth	40 Year Amortization of UAAL
Normal Cost:		
Age & service pensions	7.20%	7.20%
Disability & death-in-service	0.39	0.39
Totals	7.59	7.59
Unfunded Actuarial Accrued Liability (UAAL):		
Active and inactive teachers	3.16	6.16
(\$ millions unfunded)	(\$3,449)	(\$3,449)
Retirants & beneficiaries	0.96	1.87
(\$ millions unfunded)	(\$1,048)	(\$1,048)
Totals	4.12	8.03
(\$ millions unfunded)	(\$4,497)	(\$4,497)
Computed Employer Contributions	11.71%	15.62%

Schedule 7 above shows two optional financing methods for unfunded actuarial accrued liability:

- (i) Preventing growth of the unfunded actuarial accrued liability. This method will keep the unfunded actuarial accrued liability from increasing as a % of member payroll, assuming full normal cost is also contributed and if future actual experience is no worse than future assumed experience; and
- (ii) Amortizing unfunded actuarial accrued liability as a level percent of payroll over a period of 40 years.



**ACTUARIAL REPORT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Summary of Valuation Results (Continued)
June 30, 1989**

IV. Valuation Data

The June 30, 1989 actuarial valuation was based on the following data:

Retirants and Beneficiaries

	<u>Number</u>	<u>Annual Allowances</u>
Men	7,463	\$ 72,451,008
Women	18,710	126,099,552
Total	26,173	198,550,560

Active Members

	<u>Number</u>	<u>Annual Payroll</u>	<u>Averages*</u> <u>Age</u>	<u>Service</u>
Men	23,024	\$ 819,369,566	44.3 yrs.	18.1 yrs.
Women	42,962	1,225,427,542	41.7 yrs.	13.2 yrs.
Total	65,986	\$2,044,797,108	42.6 yrs.	14.9 yrs.

*Averages are not used in the valuation process but are shown for general interest.

Financial Information
Type of Assets

	<u>Amount</u>
Member Reserves:	
Active and Inactive	\$1,131,907,887
Retired	294,965,519
Total	\$1,426,873,406
Employer Reserves:	
Active	\$ none
Retired	280,211,100
Total	\$ 280,211,100
Total Reserves	\$1,707,084,506



**ACTUARIAL REPORT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Retirants & Beneficiaries Computed Liabilities
Comparative Statement
June 30, 1989**

Valuation June 30	Monthly Allowances Being Paid			Average Total Allowances
	Number	Normal Allowances	Total Allowances	
1967	11,621	\$ 1,670,811	\$ 1,907,677	\$ 164
1968	12,362	1,865,499	2,085,945	169
1969	13,214	2,121,736	2,328,301	176
1970	14,312	2,459,385	2,647,397	185
1971	15,284	2,761,245	2,940,019	192
1972	16,525	3,232,285	3,356,456	203
1973	17,642	3,570,810	3,844,997	218
1975	19,217	4,298,637	4,660,873	243
1976	19,961	4,785,066	5,663,049	284
1977	20,670	5,208,747	6,186,999	299
1978	21,312	4,806,831	6,802,983	319
1979	21,808	5,144,227	7,353,986	337
1980	22,255	5,563,433	8,542,355	384
1981	22,738	6,775,694	8,895,272	391
1982	23,261	7,262,740	9,743,080	419
1983	23,631	7,742,789	10,743,936	455
1984	24,042	8,286,685	11,423,010	475
1985	24,496	8,908,890	12,401,975	506
1986	24,954	9,671,516	13,429,300	538
1987	25,492	10,515,535	14,477,613	568
1988	25,849	11,340,652	15,475,597	599
1989	26,173	12,129,592	16,545,880	632



**ACTUARIAL REPORT
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Retirants & Beneficiaries Computed Liabilities
Comparative Statement (Continued)
June 30, 1989**

Valuation June 30	Computed Liabilities			Ratio of Reserves To Normal Liability
	Normal Allowances	Total Allowances	Pension Reserves Available for Retired Lives	
1967	\$ 226,597,440	\$ —	\$ —	—
1968	220,904,496*	—	—	—
1969	252,109,356	—	—	—
1970	296,988,420	—	37,249,947	12.5%
1971	333,115,464	—	40,282,154	12.1
1972	387,167,736	—	48,234,297	12.5
1973	407,205,444*	—	84,143,378	20.7
1975	489,557,796	—	95,684,185	19.5
1976	502,565,184*	521,518,344*	103,417,581	20.6
1977	545,493,516	634,282,404	109,541,561	20.1
1978	584,589,000	695,037,540	122,903,169	21.0
1979	620,418,864	776,820,456	138,791,199	22.4
1980	656,822,112	838,221,996	152,227,411	23.2
1981	697,140,204	885,519,372	178,126,912	25.6
1982	744,703,776	962,757,924	210,986,498	28.3
1983	773,009,736*	1,042,729,584*	220,447,081	28.5
1984	823,145,544	1,102,342,740	267,364,320	32.5
1985	887,563,956	1,198,373,664	360,036,868	40.6
1986	963,393,288	1,295,938,668	423,496,495	44.0
1987	1,055,755,980	1,406,011,320	468,533,788	44.4
1988	1,143,084,576	1,507,647,084	525,277,956	46.0
1989	1,232,121,288	1,623,658,464	575,176,619#	46.7

If actual employer contributions had been following level contribution rate principles and following the contribution provisions of Chapter 329 of Acts of 1955, the retired life liability for normal allowances would be 100% funded.

* Revised assumptions.

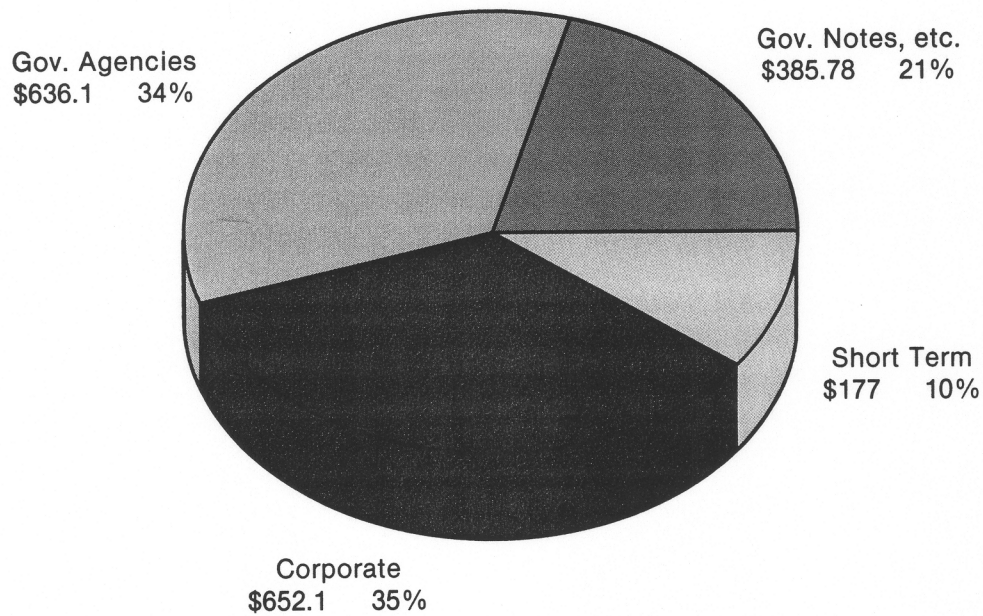
The computed liability for the annuity portion of the normal allowance was \$235,879,716. The June 30, 1989 balance in the Retired Teacher Annuity Reserve was reported to be \$294,965,519.



**INVESTMENTS SUMMARY
ANNUAL REPORT 1990**

**Indiana State Teachers' Retirement Fund
Fiscal Year Ending June 30**

**Guaranteed Fund Investments
(Book Value In Millions of Dollars)**



Total Book Value \$1,851,988,240.00

INVESTMENTS SUMMARY ANNUAL REPORT 1990

Indiana State Teachers' Retirement Fund Fiscal Year Ending June 30

Guaranteed Fund

	Description Coupon (%)	Maturity	Par Value	Book Value	Market Value
Short Term Repurchase Agreements					
First Boston	0	0	5,805,626.00	5,805,626.00	5,804,866.00
Goldman Sachs	0	0	10,500,000.00	10,500,000.00	10,499,560.00
Morgan Stanley Government	0	0	27,693,009.00	27,693,009.00	27,693,009.00
Paine Webber Government	0	0	5,836,049.00	5,836,049.00	5,836,049.00
Salomon Brothers Government	0	0	15,385,021.00	15,385,021.00	15,385,021.00
Total			65,219,705.00	65,219,705.00	65,218,505.00
Commercial Paper					
Bridgestone/Firestone, Inc.	8.20	7/09/90	6,500,000.00	6,480,753.00	6,486,610.00
Embarcadero Center	8.32	7/10/90	6,805,000.00	6,786,127.00	6,789,417.00
GMAC	8.13	7/15/90	1,000,000.00	999,898.00	997,810.00
Westinghouse Credit Corporation	8.10	7/18/90	3,000,000.00	3,000,000.00	2,987,790.00
General Electric Capital	8.13	7/18/90	3,000,000.00	3,000,000.00	2,987,700.00
Ford Motor Credit Corporation	8.20	7/27/90	3,000,000.00	3,000,000.00	2,981,550.00
Sears Roebuck Acceptance Corp.	8.10	8/01/90	5,000,000.00	5,000,000.00	4,964,000.00
Associates Corporation	8.13	8/01/90	4,000,000.00	4,000,000.00	3,970,960.00
General Electric Capital	8.20	8/01/90	5,000,000.00	5,000,000.00	4,963,800.00
GMAC	8.20	8/01/90	5,000,000.00	5,000,000.00	4,963,650.00
Total			42,305,000.00	42,266,778.00	42,093,287.00
U.S. Treasury Bills			72,000,000.00	69,535,115.00	70,393,140.00
Total Short Term			179,524,705.00	177,021,598.00	177,704,932.00

U.S. Government Notes/Bonds

6.63	2/15/92	5,000,000.00	4,990,145.75	4,875,000.00
6.63	12/31/90	1,000,000.00	999,722.76	992,810.00
6.75	3/31/91	2,000,000.00	1,966,684.06	1,979,380.00
7.13	10/15/93	9,000,000.00	8,709,400.19	8,685,000.00
7.13	10/15/93	10,800,000.00	10,317,455.29	10,422,000.00
7.25	6/30/90	20,500,000.00	20,521,588.12	20,500,000.00
7.25	11/15/96	13,000,000.00	12,012,840.05	12,211,810.00
7.38	5/15/96	10,000,000.00	10,011,589.39	9,493,700.00
7.38	5/15/96	2,500,000.00	2,297,585.68	2,373,425.00
7.38	2/15/91	2,000,000.00	1,999,828.77	1,990,620.00
7.38	4/15/93	8,000,000.00	7,972,227.71	7,807,520.00
8.00	8/15/99	3,000,000.00	2,917,859.92	2,910,930.00
8.00	1/15/97	5,000,000.00	4,907,296.68	4,876,550.00
8.00	7/15/94	3,000,000.00	2,928,591.19	2,961,570.00
8.13	5/15/91	5,500,000.00	5,580,170.96	5,498,295.00
8.25	6/30/91	3,000,000.00	2,996,194.15	3,001,860.00
8.38	4/15/95	6,000,000.00	5,907,818.15	5,990,640.00
8.50	5/15/97	5,000,000.00	5,035,303.59	5,001,550.00
8.63	8/15/97	23,000,000.00	22,727,624.30	23,150,880.00
8.63	8/15/97	5,000,000.00	4,988,915.93	5,032,800.00
8.63	1/15/95	18,000,000.00	17,858,195.09	18,151,920.00
8.63	10/15/95	2,000,000.00	1,990,172.39	2,015,000.00
8.75	8/15/93	4,000,000.00	4,012,487.00	4,042,480.00
8.88	2/15/96	6,000,000.00	6,346,583.12	6,108,720.00
8.88	7/15/95	5,000,000.00	4,969,273.18	5,089,050.00
9.13	2/15/91	14,000,000.00	14,043,757.20	14,074,340.00
9.13	12/31/92	5,000,000.00	5,004,740.71	5,090,600.00
9.25	8/15/98	6,000,000.00	6,072,514.84	6,256,860.00
9.25	8/15/98	9,000,000.00	8,951,259.04	9,385,290.00
9.50	11/15/95	8,000,000.00	8,274,816.40	8,354,960.00
9.50	10/15/94	5,000,000.00	5,087,604.64	5,190,600.00
10.50	8/15/95	5,000,000.00	5,281,891.55	5,414,050.00
10.88	2/15/93	3,000,000.00	2,990,026.93	3,176,250.00
11.63	1/15/92	7,500,000.00	7,498,250.71	7,853,925.00
11.75	4/15/92	5,500,000.00	5,500,302.45	5,804,205.00
13.75	5/15/92	5,000,000.00	4,999,172.08	5,462,500.00
7.25	5/15/16	8,000,000.00	7,590,794.08	6,964,960.00
8.88	2/15/19	9,000,000.00	8,910,806.41	9,388,080.00



Guaranteed Fund (Continued)

Description		Par Value	Book Value	Market Value
Coupon (%)	Maturity			
8.88	8/15/17	11,000,000.00	11,125,357.69	11,426,250.00
8.88	2/15/19	3,000,000.00	3,081,778.00	3,129,360.00
8.88	8/15/17	14,500,000.00	14,195,100.53	15,061,875.00
9.00	2/15/94	5,000,000.00	5,235,962.57	5,098,450.00
9.13	5/15/09	4,500,000.00	4,855,274.67	4,680,000.00
9.25	2/15/16	10,000,000.00	11,736,752.29	10,746,900.00
9.38	2/15/06	2,500,000.00	2,752,914.84	2,682,025.00
9.38	2/15/06	3,000,000.00	3,061,009.06	3,218,430.00
10.38	11/15/12	2,500,000.00	2,746,631.80	2,883,600.00
10.38	11/15/12	33,000,000.00	36,484,571.16	38,063,520.00
10.38	11/15/12	5,000,000.00	5,925,018.51	5,767,200.00
11.13	8/15/03	2,500,000.00	2,412,816.47	2,994,525.00
11.88	11/15/03	10,000,000.00	9,944,450.33	12,584,400.00
12.00	8/15/13	7,000,000.00	7,056,863.85	9,124,080.00
Total Governments		380,800,000.00	385,785,992.00	395,040,745.00

Agencies

FHLMC	6.75	2/01/03	1,903,848.95	1,718,796.19	1,681,479.39
FHLMC	7.25	5/01/99	2,131,789.42	2,001,614.84	1,974,463.36
FHLMC	7.45	11/01/92	528,169.35	524,274.33	528,169.35
FHLMC	7.50	12/01/96	3,047,616.21	2,880,557.50	2,779,029.79
FHLMC	8.00	8/01/03	4,007,642.93	3,717,170.28	3,789,707.31
FHLMC	8.00	7/01/02	820,315.53	772,943.89	775,706.77
FHLMC	8.00	6/01/02	1,076,182.06	1,013,965.10	1,017,659.28
FHLMC	8.00	4/01/02	1,852,156.85	1,745,600.31	1,751,436.56
FHLMC	8.00	1/01/09	2,086,240.86	1,916,784.71	1,976,087.34
FHLMC	8.00	5/01/02	291,320.65	274,539.10	275,478.63
FHLMC	8.00	5/01/05	2,404,004.47	2,307,769.05	2,273,274.71
FHLMC	8.00	6/01/02	1,591,812.80	1,514,185.81	1,505,250.02
FHLMC	8.20	9/15/07	2,019,100.00	1,885,347.02	1,984,391.67
FHLMC	8.25	12/01/96	3,061,985.22	3,036,200.13	3,065,812.70
FHLMC	8.25	9/01/08	2,569,405.74	2,489,999.01	2,420,046.18
FHLMC	8.25	12/01/96	1,458,088.20	1,445,695.59	1,459,910.81
FHLMC	8.25	12/01/09	4,593,094.00	4,439,720.23	4,326,097.45
FHLMC	8.50	1/01/17	4,922,672.10	4,732,031.09	4,734,970.61
FHLMC	8.50	12/01/01	503,387.51	480,687.13	483,881.24
FHLMC	8.50	2/01/08	1,435,623.78	1,332,214.45	1,380,883.45
FHLMC	8.50	9/01/01	5,070,115.88	4,849,947.96	4,873,648.89
FHLMC	8.50	11/01/01	3,237,404.86	3,231,133.78	3,111,955.42
FHLMC	8.50	4/01/17	4,428,325.48	4,103,670.66	4,259,473.43
FHLMC	8.50	12/01/07	330,972.90	314,380.84	315,562.80
FHLMC	8.50	12/01/01	700,423.79	668,837.89	673,282.37
FHLMC	8.50	4/01/08	2,715,950.34	2,520,065.96	2,612,391.15
FHLMC	8.50	8/01/02	554,807.46	536,926.83	533,308.67
FHLMC	8.50	9/01/10	2,100,353.03	1,945,529.76	2,020,266.57
FHLMC	8.50	2/01/02	1,138,663.36	1,102,201.46	1,094,540.15
FHLMC	8.50	11/01/01	432,669.43	413,177.42	415,903.49
FHLMC	8.50	2/01/08	396,731.28	376,779.78	378,259.47
FHLMC	8.50	8/15/21	4,000,000.00	3,707,743.30	3,768,760.00
FHLMC	8.50	2/01/08	727,858.00	700,207.78	693,968.93
FHLMC	8.50	12/01/07	369,710.66	352,185.48	352,496.93
FHLMC	8.50	8/01/06	299,764.01	291,644.66	285,807.00
FHLMC	8.50	8/01/01	539,156.02	514,941.53	518,263.72
FHLMC	8.50	12/01/01	478,251.21	456,683.69	459,718.98
FHLMC	8.50	2/01/02	6,995,404.00	7,045,593.11	6,724,332.09
FHLMC	8.75	5/01/08	3,494,913.00	3,435,255.91	3,369,305.83
FHLMC	8.75	4/01/08	1,719,953.00	1,696,296.82	1,658,137.89
FHLMC	8.75	3/01/08	3,340,336.00	3,287,126.26	3,220,284.32
FHLMC	8.75	5/01/08	3,378,894.00	3,325,233.80	3,257,456.55
FHLMC	8.75	2/01/01	9,666,683.40	9,534,713.53	9,509,599.79
FHLMC	8.88	1/15/15	15,000,000.00	14,378,207.60	14,700,000.00
FHLMC	9.00	10/01/13	2,913,322.00	2,796,291.51	2,813,161.99
FHLMC	9.00	9/01/08	1,873,440.00	1,852,550.00	1,809,031.13
FHLMC	9.00	7/01/01	3,154,834.56	3,054,657.28	3,089,750.32
FHLMC	9.00	10/01/01	6,208,336.33	6,203,833.25	6,080,258.35
FHLMC	9.00	11/01/01	4,499,961.98	4,495,602.48	4,407,127.76
FHLMC	9.00	5/01/01	3,176,826.57	3,088,682.33	3,111,288.64
FHLMC	9.00	8/01/01	1,835,027.37	1,833,259.26	1,797,170.76
FHLMC	9.00	10/01/01	710,205.12	714,323.89	695,553.59
FHLMC	9.00	7/01/01	677,258.16	681,166.61	663,286.32
FHLMC	9.00	6/01/08	345,108.20	341,867.46	333,243.38



Guaranteed Fund (Continued)

	Description Coupon (%)	Maturity	Par Value	Book Value	Market Value
FHLMC	9.00	10/01/01	839,948.56	844,821.19	822,620.42
FHLMC	9.00	6/01/08	2,176,778.46	2,109,278.92	2,101,940.82
FHLMC	9.00	5/15/97	3,600,442.00	3,572,705.02	3,589,208.62
FHLMC	9.25	7/01/08	1,919,685.90	1,764,430.28	1,889,700.41
FHLMC	9.25	8/01/09	1,274,613.13	1,234,847.31	1,250,714.13
FHLMC	9.50	7/01/01	5,086,120.10	5,073,885.60	5,076,558.19
FHLMC	9.50	7/01/04	4,668,807.50	4,667,443.05	4,660,030.14
FHLMC	9.50	9/15/05	8,500,000.00	8,439,777.70	8,314,105.00
FHLMC	9.50	6/01/16	5,715,683.20	5,602,474.88	5,647,780.88
FHLMC	9.50	7/01/03	4,247,159.00	4,205,422.44	4,239,174.34
FHLMC	10.00	6/01/05	3,000,000.00	2,981,250.00	3,022,500.00
FHLMC	10.00	1/15/05	435,819.30	437,870.63	434,189.34
FHLMC	10.00	9/01/17	942,171.77	939,448.40	956,021.70
FHLMC	10.25	4/01/18	4,463,756.00	4,396,088.36	4,534,729.72
FHLMC	10.25	7/01/18	1,484,072.70	1,472,785.51	1,517,019.11
FHLMC	10.38	4/01/18	8,739,593.00	8,750,111.99	8,972,940.13
FHLMC	10.38	4/01/18	3,272,509.51	3,200,505.35	3,339,595.95
FHLMC	10.50	8/01/00	1,441,223.50	1,419,884.58	1,476,346.12
FHLMC	10.50	10/01/00	3,039,434.59	3,085,243.93	3,113,505.61
FHLMC	10.50	12/01/15	1,070,191.32	1,058,896.06	1,094,934.14
FHLMC	11.00	8/01/15	1,281,951.50	1,263,290.71	1,328,819.65
FHLMC	11.00	5/01/00	566,527.01	564,061.59	586,706.70
FHLMC	12.45	9/15/09	1,324,800.00	1,324,800.00	1,439,474.69
FNMA	7.00	9/01/04	2,223,544.00	1,995,840.06	2,008,082.59
FNMA	7.95	8/25/92	892,430.11	892,858.73	887,343.26
FNMA	8.00	8/01/02	818,171.34	780,787.03	774,448.26
FNMA	8.00	7/01/16	738,784.67	694,894.98	684,299.30
FNMA	8.00	6/01/02	41,396.96	37,073.49	39,184.71
FNMA	8.00	9/01/09	756,524.99	713,354.21	700,731.27
FNMA	8.00	3/01/02	825,845.53	788,312.80	781,712.34
FNMA	8.00	5/01/02	258,738.75	231,747.85	244,911.75
FNMA	8.00	2/01/11	579,430.85	546,028.17	536,697.82
FNMA	8.00	7/01/02	255,921.31	229,149.84	242,244.88
FNMA	8.00	6/01/02	876,744.96	836,767.06	829,891.71
FNMA	8.00	5/01/02	370,854.92	353,972.24	351,036.43
FNMA	8.00	3/01/02	81,792.86	73,272.33	77,421.85
FNMA	8.00	12/01/02	1,171,878.98	1,118,125.76	1,109,253.77
FNMA	8.00	8/01/16	809,724.30	761,599.16	750,007.13
FNMA	8.00	4/01/02	667,505.85	597,922.18	631,834.34
FNMA	8.00	7/01/02	716,638.10	683,926.35	678,340.96
FNMA	8.00	8/01/16	643,680.68	605,433.56	596,209.23
FNMA	8.00	7/01/16	562,850.17	529,407.99	521,339.97
FNMA	8.00	8/01/16	846,011.47	795,730.62	783,618.12
FNMA	8.00	7/01/16	835,356.18	785,718.36	773,748.66
FNMA	8.00	5/01/02	806,639.96	769,902.61	763,533.12
FNMA	8.00	4/01/02	214,086.84	191,774.83	202,646.04
FNMA	8.10	7/25/14	5,000,000.00	4,749,621.30	4,757,850.00
FNMA	8.25	7/01/02	3,540,122.09	3,374,760.93	3,360,885.71
FNMA	8.35	11/10/99	2,500,000.00	2,497,073.95	2,409,375.00
FNMA	8.50	7/01/17	1,750,002.79	1,637,472.39	1,657,025.14
FNMA	8.50	4/01/03	2,604,770.64	2,525,995.65	2,516,859.63
FNMA	8.50	7/01/17	888,037.13	830,934.42	840,855.72
FNMA	8.50	2/01/09	10,595,606.40	10,275,045.92	10,032,661.83
FNMA	8.70	3/25/11	952,949.74	936,836.84	950,872.31
FNMA	8.95	5/25/03	6,882,078.75	6,905,907.53	6,839,134.58
FNMA	8.95	5/25/03	2,294,026.25	2,301,970.18	2,279,711.53
FNMA	9.00	6/01/16	3,895,318.19	3,847,750.02	3,782,081.29
FNMA	9.00	8/01/16	4,009,207.85	3,934,695.84	3,892,660.18
FNMA	9.00	7/01/16	3,063,196.60	3,034,280.96	2,974,149.47
FNMA	9.00	11/01/01	746,288.55	752,249.02	733,832.99
FNMA	9.00	9/01/16	4,471,204.78	4,389,215.10	4,341,226.86
FNMA	9.00	8/01/01	1,405,881.93	1,391,327.99	1,382,417.76
FNMA	9.00	11/01/01	796,488.58	802,851.66	783,195.19
FNMA	9.00	11/25/17	3,000,000.00	2,943,750.00	2,943,750.00
FNMA	9.00	6/01/01	2,881,806.00	2,848,623.28	2,833,708.66
FNMA	9.00	11/01/01	708,329.41	714,302.74	696,507.39
FNMA	9.00	7/01/01	2,980,300.96	2,902,273.57	2,930,559.74
FNMA	9.00	7/01/01	703,563.67	696,291.61	691,821.19
FNMA	9.00	7/01/16	2,296,050.43	2,237,086.02	2,229,304.24
FNMA	9.00	8/01/16	4,663,945.18	4,578,470.97	4,528,364.29
FNMA	9.00	10/01/01	3,617,301.52	3,616,399.72	3,560,763.10
FNMA	9.25	10/01/01	719,507.34	738,552.82	712,448.97
FNMA	9.25	11/01/01	1,066,843.87	1,094,944.84	1,056,378.13
FNMA	9.25	9/01/01	1,444,672.64	1,482,881.20	1,430,500.40



Guaranteed Fund (Continued)

	Description Coupon (%)	Maturity	Par Value	Book Value	Market Value
FNMA	9.25	1/01/02	1,164,664.17	1,195,856.01	1,153,238.81
FNMA	9.25	9/01/01	753,279.13	773,136.71	745,889.46
FNMA	9.25	10/01/01	817,665.91	839,333.75	809,644.61
FNMA	9.30	3/10/00	2,000,000.00	2,000,000.00	2,009,380.00
FNMA	9.45	2/25/13	3,302,083.36	3,293,096.91	3,368,125.03
FNMA	9.50	4/01/01	776,053.26	767,148.55	777,535.52
FNMA	9.50	7/01/01	570,705.74	564,125.26	571,795.79
FNMA	9.50	7/01/01	1,343,054.59	1,327,556.18	1,345,619.82
FNMA	10.27	11/01/15	1,372,565.10	1,384,486.91	1,388,075.09
FNMA	10.31	3/01/28	2,225,642.32	2,187,705.10	2,253,462.85
FNMA	10.72	4/01/19	4,064,120.99	4,086,213.07	4,257,166.74
GNMA	8.00	9/15/07	402,403.40	400,544.84	379,011.69
GNMA	8.00	8/15/07	606,609.15	604,408.03	571,346.96
GNMA	8.00	9/15/07	466,076.09	449,333.40	438,983.09
GNMA	8.00	9/15/07	626,330.18	592,273.62	589,921.61
GNMA	8.00	12/15/16	946,954.70	884,961.63	874,152.82
GNMA	8.00	12/15/16	946,954.70	884,961.63	874,152.82
GNMA	8.00	3/15/17	8,556,171.28	7,829,338.37	7,898,372.83
GNMA	8.00	6/15/17	3,978,879.14	3,732,000.86	3,672,982.91
GNMA	8.00	8/15/07	588,570.67	585,765.59	554,357.06
GNMA	8.00	12/15/06	808,631.01	767,897.18	761,625.29
GNMA	8.00	11/15/07	429,797.90	414,192.05	404,813.75
GNMA	8.00	5/15/17	989,928.19	925,092.56	913,822.51
GNMA	8.00	3/15/17	991,595.52	926,662.18	915,361.66
GNMA	8.00	11/15/16	975,816.21	911,939.63	900,795.46
GNMA	8.00	8/15/07	562,204.65	559,732.86	529,523.69
GNMA	8.00	10/15/16	922,247.47	861,883.48	851,345.08
GNMA	8.00	7/15/07	307,170.00	290,549.67	289,314.21
GNMA	8.00	7/15/17	990,876.76	929,390.88	914,698.15
GNMA	8.50	5/15/17	960,858.99	930,873.58	909,808.55
GNMA	8.50	7/15/17	993,042.87	962,504.99	940,282.50
GNMA	8.50	1/15/17	1,918,562.74	1,859,585.81	1,816,629.50
GNMA	8.50	6/15/17	992,398.47	961,426.93	939,672.34
GNMA	8.50	12/15/16	960,548.31	930,582.36	909,514.38
GNMA	8.50	10/15/19	975,186.94	946,196.33	923,375.26
GNMA	8.50	10/15/19	975,314.98	946,320.55	923,496.50
GNMA	8.50	9/15/19	1,950,136.64	1,892,166.52	1,846,525.88
GNMA	8.50	6/15/17	970,496.57	940,208.32	918,934.09
GNMA	9.00	6/15/16	2,231,847.95	2,191,159.39	2,168,374.19
GNMA	9.00	8/20/18	4,691,462.88	4,515,264.63	4,721,488.24
GNMA	9.00	6/15/17	901,476.66	884,136.21	875,838.66
GNMA	9.00	7/15/16	888,146.75	871,085.36	862,887.86
GNMA	9.00	1/15/17	2,662,051.49	2,613,491.56	2,586,342.75
GNMA	9.00	10/15/19	1,990,795.68	1,949,534.73	1,934,177.45
GNMA	9.00	9/15/16	4,537,156.53	4,499,316.18	4,408,119.80
GNMA	9.00	8/15/16	59,353.21	58,212.62	57,665.20
GNMA	9.00	6/15/16	43,556.48	42,720.83	42,317.73
GNMA	9.00	4/15/18	951,854.83	933,524.79	924,784.08
GNMA	9.00	1/15/20	4,989,571.07	4,968,100.97	4,847,667.67
GNMA	9.00	6/15/09	642,198.09	619,816.58	631,961.45
GNMA	9.00	5/15/09	550,982.25	532,252.16	542,199.59
GNMA	9.00	9/15/08	1,320,041.13	1,319,049.49	1,298,999.67
GNMA	9.00	9/15/16	21,415.13	21,002.50	20,806.08
GNMA	9.50	10/15/17	456,117.70	446,051.70	453,691.15
GNMA	9.50	8/15/09	1,920,380.01	1,848,886.15	1,927,562.23
GNMA	9.50	12/15/19	4,880,271.58	4,932,625.07	4,854,308.54
GNMA	9.50	3/15/18	932,690.32	912,627.65	927,728.41
GNMA	9.50	7/15/17	875,822.51	856,506.80	871,163.13
GNMA	9.50	7/15/17	899,046.53	879,218.08	894,263.60
GNMA	9.50	11/15/19	4,900,196.66	4,952,762.22	4,874,127.61
GNMA	9.50	4/15/18	943,692.87	923,389.02	938,672.42
GNMA	9.50	9/15/17	812,235.26	794,785.34	807,914.17
GNMA	9.50	8/15/19	4,911,304.47	4,895,632.04	4,885,176.33
GNMA	9.50	9/15/09	1,412,900.08	1,360,239.15	1,418,184.33
GNMA	9.50	8/15/17	1,898,370.13	1,856,492.36	1,888,270.80
GNMA	9.50	10/15/17	963,463.44	942,760.19	958,337.81
GNMA	9.50	6/15/17	990,787.63	969,514.62	985,516.64
GNMA	9.50	10/15/17	87,558.52	85,620.45	87,092.71
GNMA	9.50	6/15/17	263,197.19	257,393.66	261,796.98
GNMA	9.50	9/15/09	2,311,939.54	2,225,832.02	2,320,586.19
GNMA	10.00	8/15/18	449,297.42	449,099.72	457,299.41
GNMA	10.00	7/20/14	580,201.76	514,239.18	586,549.17
GNMA	10.00	8/15/18	880,423.20	880,037.43	896,103.54
GNMA	10.00	8/15/18	479,745.90	479,534.29	488,290.17



Guaranteed Fund (Continued)

	Description Coupon (%)	Maturity	Par Value	Book Value	Market Value
GNMA	10.00	7/15/18	397,257.87	397,083.65	404,333.03
GNMA	10.00	8/15/18	486,829.79	486,614.97	495,500.23
GNMA	10.00	8/15/18	684,649.67	684,347.97	696,843.28
GNMA	10.00	7/15/18	459,085.07	458,881.58	467,261.38
GNMA	10.00	12/20/13	49,865.68	44,215.49	50,411.21
GNMA	10.00	8/15/18	784,673.00	784,324.68	798,648.03
GNMA	10.00	7/15/19	4,901,955.95	5,027,726.91	4,989,259.79
GNMA	10.00	7/15/18	118,908.75	118,858.23	121,026.51
GNMA	11.00	7/15/13	3,009,942.16	3,112,266.41	3,167,964.12
GNMA	11.50	6/15/13	589,476.66	570,934.34	628,158.12
GNMA	12.00	7/15/99	153,222.26	149,846.36	162,175.04
GNMA	12.00	4/15/99	250,346.75	244,858.76	264,974.51
Total			426,175,449.00	415,895,708.00	415,899,347.00

Debentures, CMO's

FFCB	10.60	10/21/91	2,000,000.00	2,000,287.86	2,053,120.00
FHLB	8.13	5/25/93	5,000,000.00	5,000,000.00	4,945,300.00
FHLB	8.25	9/25/96	5,000,000.00	5,054,003.89	4,878,100.00
FHLB	8.25	6/25/96	5,000,000.00	5,000,000.00	4,876,550.00
FHLB	8.25	5/27/96	5,000,000.00	4,991,435.93	4,881,250.00
FHLB	10.00	6/26/95	2,500,000.00	2,500,000.00	2,621,100.00
FHLB	10.90	12/26/90	2,000,000.00	1,998,055.92	2,025,620.00
FHLB	10.90	12/26/90	2,000,000.00	1,990,240.27	2,025,620.00
FHLB	11.40	12/26/91	3,000,000.00	3,000,000.00	3,122,820.00
FHLB	11.45	2/25/92	2,000,000.00	2,000,000.00	2,091,240.00
FHLB	11.70	4/27/92	1,000,000.00	997,359.94	1,054,060.00
FHLB	11.70	7/26/93	3,000,000.00	2,991,016.71	3,247,500.00
FHLMC	7.00	10/15/20	8,000,000.00	6,438,231.65	6,360,000.00
FHLMC	8.05	3/15/96	592,000.00	582,736.37	561,103.52
FHLMC	8.55	12/01/98	2,000,000.00	1,921,867.06	1,977,500.00
FHLMC	8.80	12/15/20	4,000,000.00	3,996,319.69	3,948,760.00
FHLMC	9.00	5/15/20	6,500,000.00	6,382,350.00	6,378,125.00
FHLMC	9.35	12/15/17	2,000,000.00	1,948,279.50	1,967,500.00
FHLMC	9.45	9/15/11	1,700,000.00	1,702,528.58	1,672,375.00
FHLMC	9.45	9/15/14	4,280,000.00	4,272,002.00	4,290,700.00
FHLMC	9.50	10/15/17	2,000,000.00	1,888,800.33	2,011,880.00
FHLMC	9.50	12/15/10	2,000,000.00	2,006,611.35	1,993,760.00
FHLMC	9.50	8/15/19	6,000,000.00	5,844,574.82	6,033,780.00
FHLMC	11.85	8/30/91	6,000,000.00	6,000,000.00	6,226,860.00
FNMA	0	11/25/19	5,000,000.00	2,554,181.75	2,125,000.00
FNMA	6.00	1/25/20	11,200,000.00	8,409,115.67	8,004,528.00
FNMA	7.00	12/25/19	7,000,000.00	5,819,355.80	5,600,070.00
FNMA	7.00	2/10/96	2,000,000.00	1,883,022.58	1,834,380.00
FNMA	7.00	3/25/16	3,000,000.00	2,532,756.88	2,679,390.00
FNMA	7.75	10/25/18	7,000,000.00	6,307,022.71	6,370,000.00
FNMA	8.00	1/25/18	5,850,000.00	5,327,578.53	5,341,869.00
FNMA	8.50	4/25/18	9,850,000.00	9,444,578.54	9,323,714.50
FNMA	8.50	1/10/92	2,500,000.00	2,500,000.00	2,502,350.00
FNMA	8.95	2/12/18	4,000,000.00	3,990,776.38	4,010,000.00
FNMA	9.00	7/25/18	3,000,000.00	2,898,234.75	2,929,710.00
FNMA	9.00	1/25/17	7,000,000.00	6,857,812.50	6,860,000.00
FNMA	9.00	9/25/18	5,000,000.00	4,863,294.40	5,000,000.00
FNMA	9.05	12/19/19	2,000,000.00	1,990,191.95	2,084,760.00
FNMA	9.05	3/25/17	6,300,000.00	6,020,967.22	6,129,711.00
FNMA	9.20	6/25/13	1,500,000.00	1,502,270.78	1,505,625.00
FNMA	9.25	11/25/11	3,750,000.00	3,721,981.80	3,765,262.50
FNMA	9.50	9/25/18	2,250,000.00	2,261,217.30	2,261,250.00
FNMA	10.13	6/10/92	2,000,000.00	2,000,000.00	2,059,380.00
FNMA	10.75	5/10/93	1,000,000.00	1,000,676.88	1,052,190.00
FNMA	10.88	4/12/93	1,000,000.00	1,000,000.00	1,055,310.00
Financing Corp. Debenture	10.35	8/03/18	2,500,000.00	2,497,074.46	2,824,225.00
Financing Corp. Debenture	10.70	10/06/17	6,000,000.00	6,572,950.96	6,991,860.00
Int'l Bank for Reconstruction	8.63	10/15/16	6,000,000.00	5,937,423.41	5,744,340.00
Int'l Bank for Reconstruction	9.63	4/28/99	5,000,000.00	5,186,988.08	5,279,800.00
Int'l Bank for Reconstruction	9.88	10/01/97	6,500,000.00	6,692,827.70	6,782,035.00
Inter-American Development	8.40	9/01/09	9,000,000.00	8,943,806.90	8,752,500.00
Inter-American Development	0	7/15/05	2,000,000.00	556,550.44	532,500.00
Inter-American Development	0	7/15/13	7,363,000.00	1,080,070.78	991,722.47
Inter-American Development	0	1/15/13	5,313,000.00	810,962.80	745,467.03
Inter-American Development	0	1/15/08	9,158,000.00	2,045,953.42	1,966,131.02
Inter-American Development	0	7/15/03	5,800,000.00	1,847,344.80	1,841,500.00



Guaranteed Fund (Continued)

	Description Coupon (%)	Maturity	Par Value	Book Value	Market Value
Inter-American Development	0	4/15/12	1,600,000.00	258,644.77	238,992.00
Inter-American Development	0	10/15/08	3,000,000.00	612,816.50	603,750.00
Inter-American Development	0	7/15/08	5,313,000.00	1,158,581.11	1,094,159.22
Inter-American Development	0	7/15/12	5,313,000.00	844,522.33	778,673.28
Inter-American Development	0	10/15/13	9,700,000.00	1,396,915.48	1,279,139.00
Student Loan Marketing	8.20	5/18/93	3,000,000.00	3,013,491.79	2,972,820.00
Student Loan Marketing	8.95	6/01/98	5,000,000.00	5,061,107.09	4,970,750.00
TVA	8.63	11/15/29	2,500,000.00	2,278,181.98	2,277,550.00
Total			274,832,000.00	220,187,953.00	220,407,038.00
Total Agencies			701,007,449.00	636,083,661.00	636,306,385.00

Corporates

Drexel Burnham Lambert	0	2/01/04	4,255,081.97	2,977,896.06	2,957,281.97
Du Pont E I Denemours	0	4/03/94	3,000,000.00	3,000,000.00	2,985,000.00
Drexel Burnham Lambert	0	7/01/17	5,000,000.00	3,213,718.77	3,475,000.00
College & University	4.00	6/01/96	2,756,363.62	2,431,835.13	2,496,245.59
Ryland Acceptance Corp.	6.00	2/01/04	3,330,806.14	3,109,402.19	3,150,742.76
Rural Housing Trust	6.33	8/01/00	3,000,000.00	2,851,977.54	2,848,200.00
Salomon Brothers Mortgage	6.50	1/01/17	3,038,830.38	2,777,819.45	2,537,423.37
General Electric Credit Corp.	6.75	11/01/11	3,000,000.00	2,953,280.95	2,931,030.00
Texas Housing Agency	7.10	8/01/11	761,621.26	759,310.56	745,444.42
Residential Mortgage	7.10	8/01/11	1,082,686.57	1,079,998.15	1,040,743.29
Consumers Auto Trust	7.38	9/15/93	803,685.23	785,568.59	791,879.09
Kidder Peabody Mortgage Assoc.	7.44	11/20/11	943,472.38	941,910.21	920,772.43
Exxon Shipping Co.	7.50	10/01/11	1,500,000.00	1,511,080.61	1,440,495.00
Travelers Mortgage Service	7.50	1/01/17	4,612,858.18	4,241,538.25	4,059,315.20
American South West Financial	7.50	10/01/18	3,540,000.00	3,132,210.08	3,142,882.80
Ryland Acceptance Corp.	7.50	8/01/12	1,110,717.58	1,110,717.58	1,077,396.05
CFC-3 Grantor Trust Asset	7.70	2/15/93	712,089.44	703,508.31	701,849.59
New Jersey Bell Telephone Co.	7.75	9/01/13	2,000,000.00	1,675,937.86	1,722,380.00
Mortgage Bankers Financial	7.80	7/01/08	1,063,910.02	1,063,253.45	1,028,013.70
Mountain States Telephone	7.88	11/15/16	3,000,000.00	2,728,715.54	2,567,280.00
Amoco Co.	7.88	8/15/96	3,000,000.00	3,027,255.00	2,841,150.00
Shearson Lehman Brothers	7.88	8/15/93	2,000,000.00	2,000,000.00	1,901,060.00
New Jersey Bell Telephone Co.	8.00	9/15/16	2,000,000.00	1,710,192.23	1,748,360.00
Lincoln National Corp.	8.00	3/15/97	3,000,000.00	3,000,000.00	2,717,400.00
Ford Motor Credit Corp.	8.00	8/15/93	1,000,000.00	1,000,000.00	971,840.00
Times Mirror Co.	8.00	12/15/96	3,000,000.00	3,008,824.94	2,826,540.00
Smithkline Beckman Universal	8.00	2/15/91	3,000,000.00	3,000,000.00	2,977,380.00
Co-Operative Utility Trust	8.08	3/15/93	1,357,416.88	1,357,416.88	1,357,878.40
Co-Operative Utility Trust	8.10	2/15/93	2,079,590.05	2,079,590.05	2,080,525.87
Household Finance Corp.	8.10	7/01/90	5,000,000.00	4,998,351.58	5,000,000.00
American Express Credit Corp.	8.13	4/15/91	2,000,000.00	1,998,484.50	1,982,500.00
I E Industries, Inc.	8.13	9/01/93	5,000,000.00	4,860,239.21	4,880,650.00
Resolution Funding Corp.	8.13	10/15/19	19,000,000.00	17,708,949.61	17,640,360.00
Collateralized Mortgage	8.20	5/20/04	7,689,794.64	7,438,594.81	7,441,106.68
South Central Bell Telephone	8.25	11/01/15	2,000,000.00	1,776,254.70	1,801,660.00
GMAC	8.25	11/15/06	2,000,000.00	1,784,997.81	1,770,200.00
FSA Capital, Inc.	8.25	9/20/96	786,847.21	794,750.03	778,003.05
New Jersey Bell Telephone Co.	8.25	2/15/16	2,225,638.75	2,225,638.75	2,242,225.00
Southern Bell Telephone	8.25	4/15/16	6,500,000.00	5,967,777.15	5,851,300.00
Mobil Corp.	8.25	6/15/92	1,000,000.00	995,562.60	990,510.00
Potomac Electric Power Co.	8.25	3/01/17	2,000,000.00	1,941,105.49	1,761,100.00
CFC 1 Grantor Trust	8.30	5/15/92	710,478.03	702,387.67	705,369.69
American Housing Trust IV	8.30	6/25/17	6,000,000.00	5,372,343.25	5,347,500.00
Ford Motor Credit Co.	8.35	4/29/91	4,000,000.00	3,976,199.84	3,983,800.00
RJR Nabisco, Inc.	8.38	2/01/17	4,000,000.00	3,759,975.29	2,753,360.00
Boeing Co.	8.38	3/01/96	3,000,000.00	2,991,232.80	2,905,020.00
K Mart Corp.	8.38	11/15/17	4,000,000.00	3,769,070.58	3,494,640.00
National Steel Corp.	8.38	8/01/06	1,000,000.00	1,007,708.52	780,000.00
U. S. Bancorp	8.40	6/29/90	0.00	3,657.30	0.00
Household Finance Corp.	8.40	8/03/94	3,000,000.00	2,995,974.59	2,906,070.00
GMAC	8.40	8/01/93	3,000,000.00	2,998,376.46	2,947,560.00
International Lease Finance	8.45	9/01/94	2,000,000.00	1,943,583.37	1,912,840.00
Security Pacific Credit Card	8.45	12/16/91	3,000,000.00	2,990,877.33	2,975,550.00
Inter American Development	8.50	3/15/11	6,000,000.00	5,798,084.49	5,687,100.00
Mortgage Capital Trust VI	8.50	11/01/11	2,935,472.35	2,891,733.48	2,894,199.61
R J Reynolds Nabisco	8.63	3/15/17	3,000,000.00	2,963,978.85	2,122,260.00
American Telephone	8.63	2/01/07	2,000,000.00	2,052,582.23	1,909,140.00
Associates Corp.	8.63	11/15/94	1,500,000.00	1,491,550.86	1,473,720.00
Amoco Co.	8.63	12/15/16	5,500,000.00	4,962,267.18	5,146,790.00



Guaranteed Fund (Continued)

	Description	Coupon (%)	Maturity	Par Value	Book Value	Market Value
Associates Corp.		8.63	11/15/94	3,000,000.00	2,983,101.73	2,947,440.00
Southern Bell Telephone		8.63	9/01/26	2,000,000.00	1,921,897.02	1,849,800.00
Salomon Capital Access Corp.		8.70	4/01/01	2,000,000.00	1,970,936.37	2,010,000.00
Ford Motor Credit Corp.		8.70	10/17/94	2,438,333.76	2,429,764.71	2,423,094.17
First USA Credit Card Trust		8.70	5/31/96	3,000,000.00	2,993,990.69	2,949,690.00
General Electric Capital Corp.		8.70	2/15/03	6,000,000.00	5,969,179.80	6,001,020.00
Consolidated Natural Gas		8.75	10/01/19	3,000,000.00	2,924,042.32	2,831,610.00
Lomas & Nettleton CMO Trust		8.75	11/01/99	343,170.85	343,785.63	340,490.69
Household Finance Corp.		8.75	6/01/93	5,000,000.00	4,971,861.30	4,948,500.00
Southern Bell Telephone		8.75	11/01/24	1,000,000.00	971,417.05	925,030.00
New York Telephone Co.		8.75	4/01/23	2,000,000.00	1,880,930.94	1,830,620.00
Santa Barbara California		8.75	6/29/92	5,000,000.00	4,997,308.06	4,979,100.00
Pittsburgh National Bank		8.75	8/15/90	1,000,000.00	998,932.66	1,000,470.00
Chevy Chase Credit Cards Corp.		8.75	7/31/96	4,000,000.00	3,991,396.40	3,959,120.00
Sears Roebuck		8.77	12/15/93	2,000,000.00	2,000,000.00	1,964,500.00
Collateralized Mortgage		8.80	4/01/18	1,624,038.26	1,589,255.05	1,580,660.20
ML Trust II		8.85	9/01/15	2,000,000.00	1,986,719.85	1,948,760.00
Mellon Bank		8.85	6/01/91	3,000,000.00	2,994,570.93	2,985,000.00
Marine Midland		8.85	10/01/93	1,600,317.44	1,593,774.20	1,604,318.23
Loews Corp.		8.88	4/15/11	4,000,000.00	3,812,265.73	3,755,760.00
Security Pacific Corp.		8.88	2/24/94	3,000,000.00	2,991,736.08	2,992,500.00
New York Telephone Co.		8.88	6/15/18	6,000,000.00	5,778,884.31	5,561,700.00
Philip Morris Companies, Inc.		8.88	7/01/96	5,000,000.00	4,990,770.07	4,908,800.00
Morgan Stanley Mortgage Trust		8.95	3/01/16	5,000,000.00	4,919,297.57	4,926,600.00
J C Penney Master Credit Card		8.95	10/15/01	6,000,000.00	5,958,179.32	5,785,140.00
Morgan Stanley Mortgage Trust		8.97	6/01/01	1,914,390.18	1,868,106.05	1,867,736.49
First Chicago Master Trust		9.00	9/15/92	4,000,000.00	3,988,640.09	3,993,600.00
New England Telephone		9.00	3/01/26	3,000,000.00	2,962,158.86	2,823,570.00
Bell South Corp.		9.00	11/02/92	1,000,000.00	1,000,000.00	999,370.00
J C Penney Master Credit Card		9.00	9/15/93	6,000,000.00	5,958,322.91	5,996,940.00
J C Penney Master Credit Card		9.00	9/15/93	4,000,000.00	3,972,214.86	3,997,960.00
Citicorp		9.00	4/14/93	2,000,000.00	1,998,525.80	1,966,880.00
First Chicago Master Trust		9.00	9/15/92	2,000,000.00	1,995,831.34	1,996,800.00
American General Finance Corp.		9.00	9/15/93	3,000,000.00	2,995,891.84	2,978,460.00
First Chicago Master Trust		9.00	9/15/92	5,500,000.00	5,488,537.18	5,491,200.00
Philip Morris Cos., Inc.		9.00	5/15/98	5,500,000.00	5,452,939.19	5,538,720.00
Marine Midland		9.00	8/15/94	1,932,013.80	1,909,174.26	1,943,605.88
Philip Morris Companies, Inc.		9.05	2/22/94	3,000,000.00	2,979,452.18	2,993,580.00
Morgan Stanley Mortgage Trust		9.05	1/20/12	5,000,000.00	5,032,875.49	4,692,200.00
Chemical Bank Grantor Trust		9.10	10/17/94	3,826,756.88	3,821,480.56	3,809,995.68
Lincoln National Corp.		9.13	12/01/92	2,000,000.00	1,998,156.90	1,998,320.00
Oppenheimer CMO Trust		9.13	5/01/01	1,854,813.67	1,850,988.20	1,850,176.64
Bell South Savings		9.13	7/01/03	2,000,000.00	2,000,000.00	1,997,440.00
U S West Financial		9.13	8/02/93	1,000,000.00	998,774.81	998,400.00
Lincoln National Corp.		9.13	12/01/92	5,000,000.00	4,995,394.57	4,995,800.00
Oppenheimer CMO Trust		9.13	5/01/01	1,426,779.68	1,423,820.76	1,423,212.73
First USA Bank Credit Card		9.15	11/01/95	5,600,000.00	5,577,467.57	5,603,248.00
Provident National Bank		9.15	10/01/91	3,000,000.00	3,000,000.00	3,010,230.00
Residential Resources, Inc.		9.15	10/01/07	1,683,629.74	1,680,011.55	1,666,793.44
Provident National Bank		9.15	10/01/91	4,000,000.00	4,000,000.00	4,013,640.00
Norwest Master Trust Credit		9.15	12/15/95	4,300,000.00	4,298,781.25	4,298,925.00
Beneficial Corp.		9.15	6/29/99	5,000,000.00	5,043,205.32	4,868,700.00
Norwest Master Trust Credit		9.15	12/15/95	6,000,000.00	5,998,500.00	5,998,500.00
GTE Financial		9.17	7/02/99	5,000,000.00	5,074,247.93	4,843,150.00
Collateralized Mortgage		9.25	12/01/14	1,458,411.16	1,453,321.63	1,459,329.96
Bell Telephone Co.		9.25	1/15/19	2,000,000.00	1,931,842.74	1,920,400.00
First Chicago Master Trust		9.25	6/15/95	5,000,000.00	4,995,500.00	5,021,100.00
First Chicago Master Trust		9.25	6/15/95	5,000,000.00	4,995,500.00	5,021,100.00
Atlantic City Electric Co.		9.25	10/01/19	3,000,000.00	2,906,517.37	2,860,950.00
Government Trust Certificate		9.25	11/15/01	10,000,000.00	9,963,997.03	10,148,000.00
Masco Corp.		9.25	9/15/93	1,000,000.00	995,872.86	995,530.00
MWCC Receivables Trust One		9.25	8/17/93	4,000,000.00	3,981,028.35	4,033,360.00
MWCC Receivables Trust One		9.25	8/17/93	5,000,000.00	4,971,973.16	5,041,700.00
Boston Safe Deposit and Trust		9.26	8/22/90	4,000,000.00	4,003,598.15	3,993,680.00
Citicorp		9.30	9/15/92	3,500,000.00	3,499,387.22	3,513,720.00
Chemical Banks Credit Card		9.30	9/15/93	3,968,333.87	3,973,634.64	3,957,698.74
Bank of New York		9.35	8/10/90	2,000,000.00	2,000,000.00	2,002,100.00
Xerox Credit Corp.		9.35	10/01/93	3,000,000.00	3,000,000.00	3,005,820.00
Dayton-Hudson Corp.		9.35	6/16/20	6,000,000.00	5,996,709.00	5,995,980.00
Sears Credit Card Trust		9.35	12/15/93	6,000,000.00	5,964,128.84	6,035,700.00
Michigan Bell Telephone Co.		9.35	9/17/91	5,000,000.00	5,000,000.00	5,017,300.00
Huntington Grantor Trust		9.35	10/15/94	861,193.02	860,588.43	870,881.44
Sears Credit Card Trust		9.35	12/15/93	4,000,000.00	3,976,086.42	4,023,800.00
Old Kent Bank of Grand Rapids		9.37	12/13/90	2,000,000.00	1,999,992.92	2,010,780.00



Guaranteed Fund (Continued)

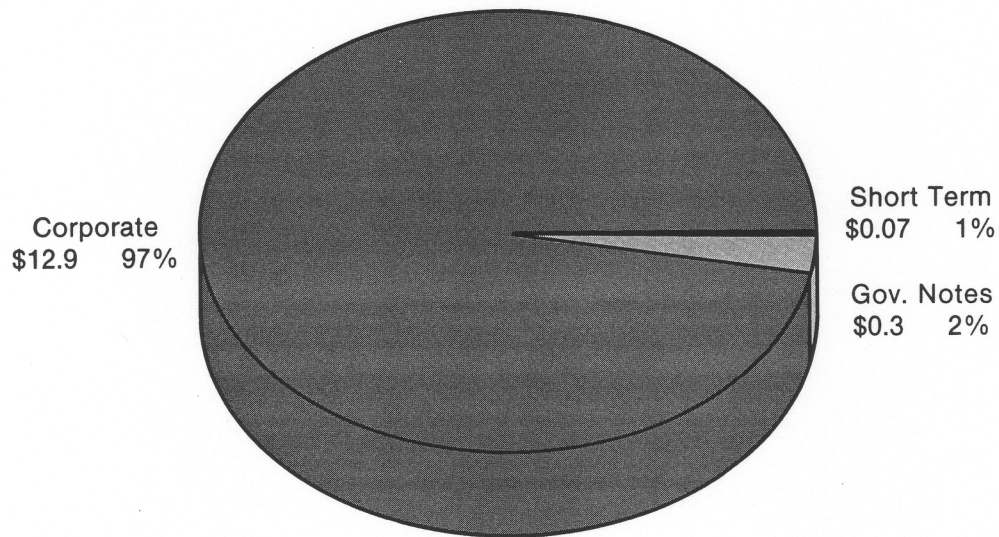
	Description Coupon (%)	Maturity	Par Value	Book Value	Market Value
National Rural Utilities	9.38	6/15/95	5,500,000.00	5,475,188.44	5,498,735.00
Standard Credit Card Trust	9.38	7/10/97	6,500,000.00	6,474,609.37	6,473,025.00
Ford Motor Credit Co.	9.38	2/15/96	1,100,000.00	1,148,841.63	1,104,950.00
Ford Holdings, Inc.	9.38	3/01/20	3,500,000.00	3,439,424.89	3,442,495.00
Continental Corp.	9.38	7/01/93	2,000,000.00	2,031,796.15	2,005,940.00
Sun Oil Companies	9.38	6/01/16	3,050,000.00	3,008,115.24	2,924,919.50
PSEG Capital Corp.	9.40	10/18/95	5,500,000.00	5,490,778.89	5,489,550.00
National Credit Card Trust	9.45	12/31/97	5,800,000.00	5,794,414.36	5,898,658.00
National Credit Card Trust	9.45	12/31/97	5,000,000.00	5,036,045.83	5,085,050.00
GS Trust 4 Collateral	9.45	10/27/03	3,237,156.37	3,237,156.37	3,251,335.11
Keycorp	9.45	6/01/93	5,500,000.00	5,497,321.15	5,525,465.00
CSX Corp.	9.50	7/01/16	3,000,000.00	2,956,148.86	2,846,070.00
Crossland Commercial Funding	9.50	6/15/93	5,800,000.00	5,789,751.65	5,476,940.00
MBNA Credit Card Trust	9.50	5/15/94	5,800,000.00	5,788,617.77	5,867,454.00
Standard Credit Card Trust	9.50	5/10/97	6,000,000.00	5,976,460.20	6,034,260.00
Union Federal Savings Bank	9.50	6/15/94	1,083,778.93	1,083,406.58	1,089,317.04
First Nationwide Bank	9.50	9/16/91	5,500,000.00	5,526,320.14	5,503,465.00
National Rural Utilities	9.50	5/15/97	6,000,000.00	5,995,908.60	5,961,480.00
Structured Asset Securities	9.50	5/01/18	2,000,000.00	1,888,109.75	2,001,880.00
Co-Operative Utilities Trust	9.52	3/15/19	14,000,000.00	13,964,726.65	14,185,920.00
Republic National Bank	9.60	8/01/92	2,000,000.00	1,998,571.76	2,000,500.00
Pacific Telephone & Telegraph	9.63	7/15/18	2,000,000.00	1,932,148.79	1,983,240.00
Southern New England	9.63	2/15/30	2,000,000.00	1,961,080.70	2,002,620.00
Colgate Palmolive Corp.	9.63	7/15/17	1,500,000.00	1,465,698.48	1,483,680.00
Potomac Edison Co.	9.63	6/01/20	1,000,000.00	991,500.00	991,500.00
M B N A (Maryland Bank)	9.65	6/15/94	5,800,000.00	5,872,867.68	5,896,454.00
M B N A (Maryland Bank)	9.65	6/15/94	3,000,000.00	2,986,044.33	3,049,890.00
M B N A (Maryland Bank)	9.65	6/15/94	3,000,000.00	2,986,043.72	3,049,890.00
Merrill Lynch Mortgage	9.70	6/15/10	3,000,000.00	2,993,437.50	2,993,010.00
Pennsylvania Power & Light Co.	9.75	11/01/05	1,500,000.00	1,491,232.01	1,509,165.00
Massachusetts Electric Co.	9.75	6/01/16	3,000,000.00	3,000,000.00	2,968,890.00
Maytag Corp.	9.75	5/15/02	6,000,000.00	5,973,125.40	6,070,740.00
National Credit Card Trust	9.85	3/31/95	3,000,000.00	2,976,129.08	3,072,540.00
ITT Financial Corp.	9.88	4/15/97	5,500,000.00	5,515,940.21	5,594,710.00
Atlantic Richfield Co.	9.88	3/01/16	3,000,000.00	3,131,610.23	3,160,860.00
Virginia Electric & Power Co.	9.88	6/01/17	2,000,000.00	2,000,000.00	1,998,780.00
Florida Power & Light Co.	9.88	2/01/16	2,000,000.00	2,000,000.00	2,006,880.00
South Central Bell Telephone	9.88	9/15/18	3,000,000.00	3,032,776.59	3,051,840.00
Allied Signal, Inc.	9.88	12/15/97	4,000,000.00	3,995,538.65	4,108,280.00
Caterpillar Financial	9.95	2/28/96	5,000,000.00	5,000,000.00	5,063,000.00
Kidder Peabody Mortgage	9.95	3/01/19	2,000,000.00	1,971,325.74	2,048,140.00
Pacific Gas & Electric Co.	10.00	5/01/20	2,000,000.00	1,949,711.29	1,968,900.00
Anheuser Busch Companies, Inc.	10.00	7/01/18	2,000,000.00	1,964,995.48	2,025,960.00
Alaska State Housing Finance	10.00	3/01/98	1,642,000.00	1,635,390.68	1,671,161.92
Southern California Edison	10.00	1/16/00	1,000,000.00	992,342.73	1,026,010.00
Xerox Credit Corp.	10.00	4/01/99	5,000,000.00	5,106,709.22	5,122,150.00
Household Finance Corp.	10.13	6/15/96	3,000,000.00	2,925,095.92	3,109,290.00
ITT Financial Corp.	10.13	4/05/99	5,000,000.00	5,000,000.00	5,188,600.00
Philip Morris Cos., Inc.	10.13	12/01/92	2,000,000.00	2,020,379.44	2,009,380.00
Duke Power Co.	10.13	5/01/20	2,000,000.00	1,983,809.10	2,079,420.00
Archer Daniel Midland Co.	10.25	1/15/06	3,000,000.00	2,979,486.45	3,178,260.00
Westvaco Corp.	10.25	7/01/18	2,000,000.00	2,005,833.73	2,025,440.00
International Business	10.25	10/15/95	3,000,000.00	2,994,229.95	3,083,910.00
Northwest Natural Gas Co.	10.35	11/01/97	3,000,000.00	2,981,100.84	3,074,610.00
Hawaiian Telephone Co.	10.50	10/01/95	4,000,000.00	4,000,000.00	4,095,000.00
Suntrust Banks, Inc.	11.00	9/30/95	3,500,000.00	3,497,623.37	3,616,235.00
Ford Motor Credit Co.	11.00	6/01/95	3,000,000.00	3,129,502.01	3,101,940.00
Ford Motor Credit Co.	11.00	6/01/95	2,000,000.00	2,003,829.01	2,067,960.00
Monsanto Co.	11.38	11/15/15	2,000,000.00	2,000,000.00	2,182,540.00
Burlington Northern, Inc.	11.63	8/15/15	3,000,000.00	3,022,527.82	3,276,180.00
Shearson Lehman American	11.63	5/15/05	2,400,000.00	2,381,374.37	2,577,864.00
Salomon, Inc.	11.75	8/01/05	4,000,000.00	4,167,153.01	4,200,000.00
Philadelphia Savings Fund	12.00	11/15/94	2,500,000.00	2,498,566.37	2,494,150.00
Westvaco Corp.	12.30	1/15/15	4,000,000.00	4,466,684.81	4,370,280.00
Associates Corp.	12.40	10/01/95	3,000,000.00	3,022,412.42	3,396,150.00
Union Pacific Railroad Co.	13.15	11/01/94	311,000.00	312,317.46	319,269.49
Xerox Corp.	13.25	9/01/14	1,775,000.00	1,971,907.49	2,032,375.00
Total Corporates			663,702,840.00	652,083,621.00	649,786,404.00
Foreign					
Hydro Quebec	10.13	6/15/09	1,000,000.00	1,013,367.34	1,021,830.00
TOTAL GUARANTEED FUND			1,926,034,994.00	1,851,988,240.00	1,859,860,295.00



**INVESTMENTS SUMMARY
ANNUAL REPORT 1990**

Indiana State Teachers' Retirement Fund
Fiscal Year Ending June 30

**Money Market Fund Investments
(Market Value In Millions of Dollars)**



Total Market Value \$13,279,555.00

INVESTMENTS SUMMARY ANNUAL REPORT 1990

Indiana State Teachers' Retirement Fund Fiscal Year Ending June 30

Money Market Fund

	Description				
	Coupon (%)	Maturity	Par Value	Book Value	Market Value
Short Term					
Repurchase Agreements					
Morgan Stanley Government	0	0	15,423.00	15,423.00	15,423.00
Paine Webber Government	0	0	25,600.00	25,600.00	25,600.00
Salomon Brothers Government	0	0	28,970.00	28,970.00	28,970.00
Total Short Term			69,993.00	69,993.00	69,993.00
Agencies					
FHLB	9.25	5/28/91	300,000.00	300,512.67	302,532.00
Corporates					
Washington Square Capital	8.15	7/13/90	1,000,000.00	988,227.78	997,000.00
National Bank of Maryland	8.34	9/25/90	500,000.00	482,856.67	490,275.00
First National Bank	8.39	9/28/90	500,000.00	482,753.89	489,940.00
General Electric Capital	8.81	10/04/90	500,000.00	497,997.36	499,855.00
International Business	10.20	11/01/90	500,000.00	502,179.37	502,145.00
John Hancock	9.16	11/30/90	500,000.00	500,000.00	500,100.00
Old Kent Bank of Grand Rapids	9.37	12/13/90	500,000.00	499,997.76	502,695.00
Merrill Lynch Commercial	8.35	1/18/91	1,000,000.00	938,302.78	954,160.00
Bell Atlantic Systems Leasing	8.73	2/01/91	500,000.00	501,429.37	499,625.00
Bell South Capital Funding	8.40	2/07/91	1,000,000.00	996,750.15	997,320.00
GMAC	7.25	3/01/91	500,000.00	496,102.99	494,850.00
Carteret Savings Bank	8.00	3/20/91	450,000.00	448,727.95	449,604.00
Ford Motor Credit	8.25	4/15/91	1,000,000.00	997,573.21	995,370.00
Mellon Bank	8.85	6/01/91	500,000.00	499,095.41	497,500.00
E I Dupont Denemours & Co.	8.50	6/20/91	1,000,000.00	998,326.90	1,000,320.00
Citizens Fidelity Bank	8.34	7/18/91	1,000,000.00	1,000,000.00	1,002,290.00
Northern Trust Co.	9.25	11/15/91	500,000.00	503,144.80	500,635.00
Citicorp	0	3/10/92	500,000.00	500,000.00	498,750.00
Transamerica Financial Group	0	4/02/92	500,000.00	499,542.00	430,240.00
GMAC	9.30	5/11/92	600,000.00	602,103.30	604,356.00
Total Corporates			13,050,000.00	12,935,111.69	12,907,030.00
TOTAL MONEY MARKET FUND			13,419,993.00	13,305,617.36	13,279,555.00
 TOTAL PORTFOLIO					
			1,965,590,954.00	1,891,494,873.00	1,899,008,958.00



